



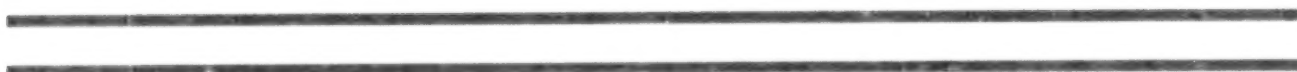
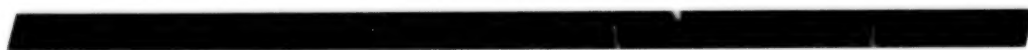
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FBIS-USR-94-074

12 July 1994



# ***CENTRAL EURASIA***



# FBIS Report: Central Eurasia

FBIS-USR-94-074

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### Ukraine, Uzbek Economic Cooperation Viewed

934K1543A Kiev URYADOVYY KURYER in Ukrainian  
7 Jun 94 p 6

[Interview with Viktor Krasnyanskyy, head, State Committee for Rare and Precious Metals and Gems, conducted by M. Sokil: "Ukraine and Central Asia: Possibilities for A Working Partnership"]

[Text] The Central Asia region of CIS has become a promising market for Ukrainian goods and a partner for joint ventures. Until recently, Ukraine had extensive trading relationships with the area based on their cotton, fallow fields, Baykonur and manufacturing industries. Under Moscow's centralized control many of their products were destined for Ukraine; even today they are enjoying a booming economy. In addition to Turkmen gas and Uzbek 'white gold', their nonferrous metallurgy and energy resources are in an active state of development, as are oil exploration, coal mining, and processing of rare elements. All of these industries are technology intensive.

Collapse of the USSR has made it mandatory to establish new trade agreements based on market economics. At present, this is an area of intense exploratory negotiations.

In February of this year Ukraine and Uzbekistan reached an accord on cooperation in the development and implementation of technology. To that end, a group of Ukrainian specialists visited Uzbekistan in May. The group included Viktor Trefylov of the Ukrainian Academy of Sciences (UAS) and director of the Institute of Materials Science, Volodymyr Bondarenko, deputy director of the Institute of Superhard Materials, UAS, and Volodymyr Kuzovkin, director of the Lviv Jewelry Plant. The delegation was headed by Viktor Krasnyanskyy, head of the State Committee for Rare and Precious Metals and Gems.

Krasnyanskyy's comments follow:

[Krasnyanskyy] We found that the Uzbeks are very interested in doing business with Ukraine. This is indicated by the number of Uzbek visitors representing, for example, the high-melting materials plant in Chyrchyk, the mining and metallurgical concern in Navoyi [sic], the drilling equipment factory in Samarkand, the Institute of Solar Physics of the Uzbek Academy of Sciences, and the "Foton" scientific industrial association. These talks were conducted by representative of many Uzbek ministries and departments, and finalized at the deputy prime-minister level.

In Central Asia they are aware of our great economic potential and record in solid research going back to the time of the USSR. Our areas of excellence and expertise include, for example, geological explorations, machine and instrument engineering, petrochemistry, ore processing and metallurgical industry, rare metal and mineral processing, production of synthetic diamonds, materials for outer-space exploration, and so forth. Fortunately, despite its current

socioeconomic crisis, Ukraine continues not only to maintain but actually to increase its scientific output.

[Sokil] Is Uzbekistan the only country interested in a partnership?

[Krasnyanskyy] No! Part of our delegation visited Almaty, the capital of Kazakhstan, where our proposals also met with great interest. Soon a Kazakh delegation will come to Kyiv for negotiations.

[Sokil] And what about the practical side of these high-level meetings?

[Krasnyanskyy] As part of implementation of the February accords we have signed protocols with Uzbekistan on combining our resources, processing capabilities, research, and technologies, as well as marketing strategies.

[Sokil] Can you give us some concrete examples?

[Krasnyanskyy] One aspect, for example, deals with powder processing technology developed at the Institute for Superhard Materials as applied to tungsten and molybdenum. It will be used by the Uzbeks at their plant for high-melting materials. That factory will also manufacture diamond-studded metal cutting blades designed at the Institute of Materials Science in a joint enterprise that will also seek investments from other countries. A method for production of highly purified chromium and its alloys—for which there is high demand—has been developed in Ukraine while Uzbekistan has the manufacturing capability. A joint company is to be formed within two months to cover this venture and to attempt to enlist Russian and Kazakh participation. The Prydniprovskyy Chemical Plant in Dniprodzerzhynsk has started production of enterosorbents with wide ecological and medical applications. Construction on a production line with an annual capacity of 50 tons, enough to meet the demand of the CIS countries, including Uzbekistan.

[Sokil] We have had bitter experience with such agreements in the past, to put it gently. Are you certain about these?

[Krasnyanskyy] We are as certain as we can be that the February accords will be implemented, hence all those trips. An inter-governmental coordinating council has been established to monitor the mechanics of implementation, including financing, staff exchanges, and material resources. This feeling is reinforced by the apparent sincerity of the Uzbeks and their desire to enter the global market with hi-tech products. In addition, in Uzbekistan and Kazakhstan the industries in question have strong government support in the form of assistance with exports, tax relief, and financial incentives.

[Sokil] So, without changing our orientation on the West, we will also look to the East?

[Krasnyanskyy] I share your opinion completely.

## POLITICAL AFFAIRS

**Shakray Duties Viewed**

944F0928B Moscow MOSCOW NEWS in English  
No 24, 17-23 Jun 94 p 3

[Article by Leonid Nikitinsky: "Too Much of Shakray?"; first paragraph is introductory paragraph]

[Text] Leaving the post of Nationalities and Regional Policy Minister at the President's request, Sergei Shakray retained the post of Vice-Premier.

He will supervise relations between the executive and legislative powers, as well as relations between the government and political parties and between civil institutions and society in the broad sense of the word. He will also supervise government legislative initiatives and examine its draft laws and deal with problems of regional and home policies between different nationalities, and finally relations between the government and mass media.

Details are given in the interview granted by Sergei Shakray.

**Secretary of Ideology—is this a new post in the government?**

Not at all. Previous party secretaries had, first, canonized ideology, and secondly, established an apparatus for its compulsory introduction. Today ours is a fundamentally de-ideologized state, one in which state ideology is banned. Besides, I have no special powers. I can meet with people, convince them and listen to them, that is, realize the mechanism of reverse contacts, but I cannot press them.

Our government's weakness lies in its inability to communicate to the people the meaning of decisions and to correct them in keeping with the people's will. I have to adjust this mechanism, the relationship between the government and society. In the same sense, I understand that it is my duty to ensure cooperation between the government and mass media. I am not going to be in command of Editor-in-Chiefs.

**I am afraid that you'll have no time for this work, because your functions are rather extensive...**

Do you want a special vice-premier for each function? In that case, 50 or 100 of them will be needed. In today's Russian government a vice-premier is a person for conferences and for coordinating matters...

**But still, it is difficult to get rid of the familiar sensation that there is too much of Shakray around. Shakray supervises the government's legislative initiatives, he himself adopts them or turns them down, but this time he acts as the head of a parliamentary faction. He heads a political party and, at the same time, establishes relations between parties and the government... No matter how long you declare yourself apolitical, all the same it looks as though Shakray has gotten a political head start compared with other politicians.**

To begin with, I am not going to declare my indifference to politics. It would look naive, inasmuch as politics is at present my basic profession. As for combining leadership in a political party with participation in the legislative bodies and in the government, this corresponds to the generally

accepted practice of democratic states. We are not appointing ourselves as ministers, and if the Premier or the President offer posts in the government to members of the Party of Russian Unity and Accord (PRUA), perhaps this has been called forth by common sense and the moderate conservative orientation of our party program.

If, on the running track, a sportsman has an advantage over his rivals, does it necessarily mean that he has pressed someone back? Soon I will have been in big-time politics for five years and nobody gave me any allowances or privileges. My work, for a year and a half as the Chairman of the Supreme Soviet committee for legislation, and for two and a half years in government structures, has, I believe, prepared me rather well to fulfill a task like the encouragement of cooperation between the government and the parliament in the legislative sphere.

The government accounts for 90% of legislative initiatives in all of the civilized states. Deputies and their factions may not act to initiate legislation in exceptional cases, specifically, when it concerns the fixing of time-limits. The Federal Assembly is not merely a legislative but also a representative body. Representing the electors, deputies must vote to approve or reject the legislative initiatives that come from the executive power.

**Unfortunately, the picture you have painted is far from what exists today. So far deputies initiate legislation exclusively for their own political aims. The latest example is the so-called Law on Corruption adopted at the first reading.**

As for the Law on Corruption, it has violated the constitutional procedure assuming that legislative acts that call for enormous state expenses must undergo government examination by experts. In general, budgetary provision of adopted laws must become the basis of bills being introduced into the government and the parliament. Otherwise, it is simply a deception, political maneuvering. Besides, I believe it necessary to strengthen the position of the Ministry of Justice. It must become not merely one of the ministries, but it must oversee and sort out hare-brained follies.

**You call PRUA a conservative party but the word "conservatism" is not very apt in Russia where, on the one hand, everything is messed up and, on the other, everything is at the stage of formation...**

I am strongly opposed to the notion that Russia doesn't have values worth preserving. What about the traditions of Russian spiritual wealth, Russian statehood and family ties? Furthermore, when speaking about the conservatism of PRUA I also mean that our party is alien both to right-wing radicalism and to left-wing revanchism. I think and hope that the times when shamelessness yielded political dividends are gone. Electors are tired of revolutionaries, they want stability in the economy and in political life.

### LDPR Bank Faces Bankruptcy

944F0928A Moscow MOSCOW NEWS in English  
No 24, 17-23 Jun 94 p 12

[Article by Igor Malov, RUFO specially for MN: "Zhirinovskiy's 'Value'"; first paragraph is introductory paragraph]

[Text] The Progress-Bank has been unable to pay Vladimir Zhirinovskiy and his party the money deposited on the bank's accounts—this is confirmed in a letter addressed to Prime Minister Viktor Chernomyrdin from the depositor himself.

As Zhirinovskiy writes, the assets of his party and his own assets at the Progress-Bank consist of \$130,000, DM 20,000 and 57 million rubles. The bank's experts confirm these sums. Together with interest Zhirinovskiy estimates in his letter that the sum due to him is 500 million rubles.

"A directive from Viktor Gerashchenko, Chairman of the Central Bank, would be enough and all the money would be returned to me in the shortest possible time," Zhirinovskiy writes. "Even the Main Administration of the Central Bank is prepared to return the ruble part of the deposit because it possesses information that there are over 60 million rubles in the accounts of the Progress-Bank." According to the author of the letter, the Progress-Bank keeps foreign currency on a contractual basis at the subsidiaries of a foreign bank. In other words, the foreign currency could also be found. On the other hand, the RF Central Bank, whose chairman, Viktor Gerashchenko, has been instructed to sort out the discrepancy with the liberal-democrats' money, will hardly pay the Progress-Bank's debts from its reserves. In any case, the author was confidentially told that the meeting between Zhirinovskiy and Viktor Gerashchenko ended with the former being referred to Valery Znaiko, Board Chairman of the Progress-Bank, on the grounds that the CB "cannot control commercial banks". In the immediate future the Progress-Bank will be threatened with the loss of its licence for conducting banking activities i.e., with virtual abolition. Bank officials voiced no confidence that the bank would be able to honour the written warrant, given on May 4 to Vladimir Zhirinovskiy, with a pledge to repay the debt in the course of three months. On the other hand, they characterized the Liberal-Democrat leader's claim that money could be received from the "subsidiary of a foreign bank" as "ludicrous", because the Progress-Bank has only clearance accounts there.

As reported by Progress-Bank experts, Zhirinovskiy had both a personal account (opened in foreign currency in January 1994 and totalling about DM 20,000), and party accounts at the bank. However, they believe, it is the LDPR Chairman himself that was the real owner of all the money. This view is borne out by the fact that, as reported by people close to Zhirinovskiy, the duties of the LDPR bookkeeper are fulfilled by Zhirinovskiy's own cousin (on his mother's side) Lyubov Andreyevna, while the LDPR business manager is his brother Alexander Andreyevich. But that is not all. The newspaper "Pravda Zhirinovskogo" published an application form for people wishing to join the LDPR. Party members (except students and pensioners) are expected to

pay dues to the tune of 1 percent of their monthly pay. Moreover, the form suggests that money be sent not simply to the headquarters, but "To Vladimir Zhirinovskiy". Incidentally, the party is said to have an Auditing Board...

According to bank experts, large sums in foreign currency began arriving in the accounts of Zhirinovskiy and his party in the autumn of 1993 (i.e., during the election campaign). Moreover, these sums were deposited in cash. A considerable part of this money—notably the DM 20,000 received in January 1994—has never been touched. No transactions on these accounts have been observed by the Progress-Bank since late January. Shortly after, Zhirinovskiy, concerned over the non-payment of money from his accounts, decided to transfer his capitals to the RF Savings Bank, for which purpose he opened a new account in its Moscow subsidiary. It is to there—if the Progress-Bank repays the debt—that the "Liberal-Democrat" money will roam.

### MN File

*The Progress-Bank was established in 1989 on the initiative of the USSR Academy of Sciences. It used to service up to 4,000 clients. Accounts in the Progress-Bank were held by Christian-Democratic public organizations, the Democratic Party of Russia (Travkin's party) and several other new political organizations. The LDPR's account was opened about four years ago—right after the repeal of Article 6 of the USSR Constitution which laid down the CPSU's leading and guiding role in Soviet society. The Progress-Bank was primarily conceived as a structure intended to finance research and development. Specifically, it financed Russia's first ecological projects (recycling of secondary raw materials). However, as admitted by the bank's management, it has not become "academic". According to bank staffers, of late the Progress-Bank has been faced with great difficulties, having lost most of its founding members. Some experts from the bank share the belief of persons who know Zhirinovskiy well, that those financial difficulties have in part been artificially created for the bank precisely because the LDPR Chairman has been its permanent client. However, specialists refused to corroborate this supposition with specific examples.*

### Burbulis on Presidential Election, Choices

944K1682A Moscow ARGUMENTY I FAKTY in Russian  
No 27, Jul 94 p 3

[Interview with former presidential adviser Gennadiy Burbulis by unspecified correspondent; place and date not given: "Burbulis Is Not Offended at Yeltsin and Wants To Give Him More Time"]

[Text] *There is perhaps no figure on Russia's political horizon today who is more inscrutable and enigmatic than Gennadiy Burbulis.*

*The label "the gray cardinal" was attached to him for life "at the hand" of Arkadiy Volskiy. Essentially the second man in the country, the person closest to Yeltsin, is he not the one who has been controlling the country? This has always excited some and irritated others.*

*Burbulis is one of those who carried Yeltsin on his shoulders into the presidency and for a short time he himself ended up,*



*to put it mildly, in retirement. He was "handed over." In his latest book, the president "comes down hard" on his former adviser. Neither pity nor mercy. Is there just one truth? The "cardinal" himself does not think so. The president was "done in" by this book and those pages that pertain to him personally are false and unfair, he notes.*

*You can like Burbulis or not. He has plenty of both friends and enemies. Having rejected the president's offer to select any position he wanted, he left Boris Nicholayevich's team with his head held high. And he remained in politics. The name of his fund, "Strategy," speaks for itself.*

*Is he still offended? Why did the president do that, anyway? Does Burbulis not want to tell the "whole truth"?*

*We were surprised when the smiling and witty Burbulis came to our editorial offices again and wanted to report not about offenses (which would have been natural), but about the fact that there will be no presidential election for another two years. But everything in order.*

#### **G. Burbulis Had a Chance To Look the President in the Eye 12 Hours a Day. Sometimes the President Got Tired of This....**

[ARGUMENTY I FAKTY] It is a paradox. As someone who thinks as Yeltsin does, you support the proposal submitted by Shumeyko. But at the same time, you have distanced yourself from the president, and he is pushing you away. What is this—a high degree of morality or a fear that they might break all your bones?

[Burbulis] This is my position in life today, with a clear idea of the condition of the country and its prospects. Of course, I know Yeltsin better than others. I have no reason to argue with him when recalling our creative relations. Whatever he may say about me, I have nothing to prove to him. Everything is clear in our relations. But I will never degrade or defile him. God will be his judge! I am writing a book that will come out in the near future. It has to do with my interpretation of our joint actions. The book has no shocking details.

Wherein lies my strength? I am an adviser, but only for those whose actions correspond to my convictions. I have never been a lackey. Yeltsin and I have a level of closeness and confidence which was always accompanied by candor. And the words "NEVER, NOBODY, NOTHING"—were frequently repeated. It never occurred to me (when the signals came) to come and say to Boris Nicholayevich: "Keep in mind that they will be telling you all kinds of garbage about me every day, and it will be in the blackest colors." Any experienced person in my place would have sent someone to see Yeltsin twice a week to say: "Boris Nicholayevich, do not think about giving up Burbulis, he is your backbone, your protection." I did not do this. Anyone in my position would have said at least once a day: "They have not brought you a denunciation of me yet? They will bring it tomorrow."

Then Voltskiy depicted me as the "gray cardinal." Boris Nicholayevich is a very sensitive person. He said he was flabbergasted, since even the democrats were not accepting Burbulis, and this reflects on both the president and his

work. At this stage, Boris Nicholayevich thought that he was making a correct decision: Get rid of me for the time being and save me for the future. But then a gap was formed...there was a change in the psychological rhythm in our relations. It was like the front line. My daily work with Yeltsin lasted 12 hours "eye to eye," and any information, any action from outside was immediately discussed on the plane of working trust. But my new work in the government distanced me from Yeltsin, and many people slipped into this gap.

Possibly Boris Nicholayevich was not very willing to accept the idea that anybody can be professionally more worthwhile than he. My careless actions and a certain plan for independent policy also took their toll. I became a professional politician. What I know and what I can do cannot be known and cannot be done by anyone else in the profession. It is easy to "become a whore," but to retain a sense of worth and not strike a false note is difficult.

#### **G. Burbulis Is Raising the Party Like Strawberries in a Bed**

[ARGUMENTY I FAKTY] Politics is dirty business, that is already axiomatic.

[Burbulis] Politics is most frequently linked to power structures. In fact, there are many professional-political spheres where the final goal—power—is not so obvious. We need a completely different strategy. This presupposes different tactics as well. I do not think that the democrats have suffered a defeat, that the reforms have gotten stuck and misfired. It is simply that we have exhausted the first stage: rallies, slogans, the stage of politicized economic reforms. In this sense, the defeat was suffered not by democrats in general but by democrats of this particular period, level, and style. When the men from the front lines returned home after the war, they were invited into people's homes and discussed their outstanding battles. They were regaled and listened to, but then they said cautiously: "You have to go to the fields, to the plants, the flour mills are standing idle." But they could not let go of the joy of victory and understand that life goes on, that one must work.

It is wrong to say that the country is in a state of political apathy today. The fact is that the previous level of political activity has been exhausted. A middle level of professional political figures has appeared. We need not create a party at any price now but join together to create a stable political system. Any attempt to create a party based on the renown of the leader or his merits is doomed to failure. I am now creating a political center in the form of two parties. The wits are saying: "Burbulis is always 'up to something.' He did not succeed in creating one party, and so now he is making two."

#### **G. Burbulis Does Not Want To Elect a President in '96. He Is Giving Him Two More Years. For Which He Has Good Reason. "Yeltsin Will Get Rid of the Rabble and Nobody Will Try To Trip Him Up," He Thinks.**

Elections in 1996 would not make much sense and would turn into a free-for-all. They would not contribute either to democratization or to stabilization or to anything useful for the country.

Look at the conditions under which we are living now. The president is not working but is looking into the mirror of the elections. The government is not up to working; it is between a rock and a hard place. The parliament has done no work since the very beginning. And what now? Either unbridled graft or a confused electorate or more falsifications or random results of the elections. Therefore, it will be difficult for Yeltsin to be elected in 1996, but it will be even more difficult to compete with him.

Shumeyko is a good man, who forced us to discuss this out in the open. The most favorable solution for us is constitutionally or through a referendum to make this correction in the transition situation and give the president and the Federal Assembly another two years.

[ARGUMENTY I FAKTY] Do you really seriously hope that this will be possible when so many people have been primed to become president, have put together programs, and are ready to go into battle?!

[Burbulis] I will shew you that not a single political structure is ready for the elections in 1996. The president is going for the version "plus two" with no elections, but he will not run for president in 1998. This consideration is the most constructive thing for all of us today.

If we give the president "plus two," he will not have to shudder every day and he can return to his model, which we supported at one time. Confident and with sufficient will, he will be rid of those terrible forebodings—who is out to get him, and from where? He can finally concentrate on the main idea—strengthening Russian statehood.

A second very important point. People appearing on the horizon with presidential ambitions will no longer be driven away. The president himself will be interested in having a normal group of leaders. But now: Chernomyrdin barely slipped in and managed to raise his ratings, and they had to find a way of "putting down" Viktor Stepanovich, so that he would be sitting and pushing buttons in the gas department and not be acting like a politician of statewide scale. So "plus two" would change the alignment in this sphere. There would be four years for competition, and Yeltsin would not be trying to trip up the contenders, and the rabble would not be trying to get him charged up with information of the moment.

And the most important thing—the elections would not include blocs thrown together for opportunistic motives bearing the financial fuse: "We will buy you all at once."

[ARGUMENTY I FAKTY] Two more years! By hook or by crook, and again deception.

[Burbulis] I link all these events to one value—stability. Nothing can be done unless there is stability in the country. No matter how we feel about Boris Nicholayevich and the deputies, today the stability factors are President Yeltsin and Prime Minister Chernomyrdin and this strange parliament. Incidentally, we have entered an amazing period. The majority of people have ceased to need power or government. Nobody listens to the opposition anymore. The indifference of the masses is useful; it even stabilizes. This indifference is like protection from rebellion.

The country has entered a period when the demand for stability is predominant, when the interest in harmony is not something contrived by politicians but a need that responds to the sensibilities and emotions of people, and they will not allow confrontation today.

Everything that has been done recently in the Kremlin has been done correctly, with the exception of one thing. The agreement on social accord was not an event for the society, it was a matter for the politically engaged aktiv and did not grow into an initiative from below that was comprehensible, attractive, and useful to the people. I see in this the decline of the organizers.

[ARGUMENTY I FAKTY] Did you sign the agreement?

[Burbulis] No, but if it were necessary I would have signed it.

[ARGUMENTY I FAKTY] Did they not bring you in on this?

[Burbulis] No. My business lies elsewhere. I now have an opportunity to contribute to Russian political centrism. The country's life is swinging like a pendulum. On one side of the pendulum are ideas of equality, justice, and social protection, and on the other—ideas of competition and private property. Human life and mass psychology are also a pendulum. If you were to endlessly exploit social-democratic ideas, sooner or later your economy would end up in stagnation. And you would be forced to encourage what is reputed to be a liberal world view: competition, protection of the private property owner. But if this lasts too long you risk ending up in a place where the laws of capital rule like wolves.

Nobody today objects to freedom or democracy, but tell me what to do with them. Nobody is against the market, but how will you feed the children tomorrow?

We must get over the impact of names and positions and act strategically. All the actors in this scenario must understand well that unless they are organized, they will not have a chance of having their own personal political biography, and if they are organized, they must enter into the agreement in order to determine who can lay claim to the primary roles, and who to the secondary ones.

If we succeed in overcoming the disease of persons, this agreement can be realized and have finances and professionally organized people and a correct ideology.

**G. Burbulis Has Everything: His Own Fund, People Who Think as He Does, a Dacha, a Foreign Car. Where Does It Come From?**

In any area, you will find people who have not been whining for these three years. Some still have their professional dignity, some have an opportunity to solve material problems, they have their own hard-earned view of the problem of administration and state construction. These people cannot be approached using ideological or political clichés—they can be rallied only if their professional and concrete interests are affected.

[ARGUMENTY I FAKTY] A new class of entrepreneurs has arisen; where is their place?



[Burbulis] You hit the nail on the head. I know better than many others that no party construction is possible in our country. And in general, that is secondary. In fact, a corporate arrangement is taking place. Financial and technological capital and the holders of natural resources are coming together. Nobody can create a party if he ignores this depth. I, for example, am in active communication with Smolenskiy and Khodorkovskiy and Gusinskiy.

Look at what a strange phase the society is in. Entrepreneurs, who include businessmen and leaders of new economic relations evoke contempt and sometimes anger in some people. On the other hand, these same people willingly take their sponsorship money. And this is considered normal. For some reason, society is not rehabilitating this class, and it does not have the protection it deserves today in either the moral or the legal sphere.

[ARGUMENTY I FAKTY] You have a chic BMW, so I would like to ask....

[Burbulis] That car belongs to the Microdan firm, and it gave it to us to use. And that is all. The "Strategy" center does not intend to buy a car, and I do not want to ride the bus....

#### **Lukashenko Victory Seen Strengthening Zhirinovskiy Factor**

944F0881A Moscow NEZAVISIMAYA GAZETA in Russian 28 Jun 94 p 2

[Article by Anna Ostapchuk and Yevgeniy Krasnikov: "An Outsider May Turn Out To Be the Victor: the Result of the First Round of Presidential Elections in Belarus Turned Out To Be Unexpected for Many"]

[Text] It may happen that a long-awaited historical experiment will begin to be carried out soon in our sister Republic of Belarus: Can the manager of a sovkhoz [state farm] manage the state?

Gorodets State Farm Manager Aleksandr Lukashenko, who garnered the greatest number of votes in the first round of the presidential elections, has a very resolute attitude: "The first thing I will do is issue an edict on personnel. All the swindlers and scoundrels sitting in the government will be fired. The renewed authority should ensure the crushing of the mafia structures ruling in the state."

The struggle against corruption promises to be broad and all-encompassing. It is well known that Lukashenko has a highly hostile attitude toward the leadership of the republic's armed forces, the leaders of the Federation of Belarusian Trade Unions and, of course, the Ministry of Internal Affairs and the republic's Committee for State Security, which have contended that the recent attempt on Lukashenko had been instigated by Lukashenko himself.

Aleksandr Lukashenko's accession to power (if it occurs, of course) will set an extremely curious precedent on the scale of the entire CIS. For the first time in a CIS member state, it will not be some ideology which will be repudiated, but the system itself, including both the authorities and their commensurate opposition. Both the representative of the ruling elite and the professional politicians will suffer defeat

and the victor will turn out to be an outsider, a homo novus [new man], who will have received the voters' votes only due to the revealing criticism of the current party in power and the obviously unfulfilled populist promises (the crushing of the mafia structures ruling in the state, direct management of state enterprises, state control over price setting and free housing and meals for students). In the opinion of Belarusian experts, who have not been too lazy to count, fulfilling the candidate's pre-election promises would require an amount equal to one and a half times the annual U.S. budget.

It is quite obvious that Lukashenko's accession to power will be marked by a comprehensive worker revolution and, as an inevitable consequence, widespread worker repressions. Of course, the old system will not give up so easily and, in the end, will remove the stranger, but, during the removal process, a conflict will flare up, which may destabilize the situation in the republic in a most serious manner.

The destructive anti-system revolution, on the threshold of which Belarus currently stands, is of enormous importance for the majority of CIS states and, first of all, for Russia. Belarus is close to Russia not only with respect to the historical path they have travelled together, but also with respect to the mentality of the population. (In this, it differs very substantially from Ukraine, whose left bank has constantly been subjected to intense Western influence). It is no accident that it is precisely in these two Slavic republics that the re-integration processes are developing fastest of all.

This is why the experience of the Belarusian elections is important for Russia not only in the vicinity aspect, but also in the sense of the modeling of its own subsequent fate. In Russia, just as in Belarus, they have already lost faith in the idea that anyone from among the current leaders or even simply a serious and respectable politician will be able to lead the country out of crisis. In a hopeless situation, it is necessary just to hope for a miracle, but, according to Slavic tradition, miracles are created not by statesmen, but rather by foolish and hysterical women who have appeared out of a crowd.

It is quite obvious that, in Russia, Vladimir Zhirinovskiy is such a "person of the crowd." The similarity between him and Aleksandr Lukashenko is quite obvious. And both of them are outcasts and pariahs in the current political establishment. However, this fact, it seems, did not hinder, but rather, likely helped Zhirinovskiy win in December in the parliamentary elections in Russia, while it may have helped Lukashenko to garner a record number of votes in the first round of presidential elections in Belarus.

It may be quite certain that, if the homo novus comes to the Kremlin on a wave of popular support, he will, with all his might, dissociate himself from the former system and try to change the domestic and foreign policies, reorganizing and abolishing former departments and ministries and organizing "model processes." Undoubtedly, the current Russian authorities foresee fully that, in this instance, their fate may turn out to be extremely dismal. The gravity of the the ruling clique's position is aggravated by the fact that no legitimate way out of it is apparent. It is not worthwhile to

delude themselves with the data from sociological surveys, according to which Yeltsin is much more popular than Zhirinovskiy. After all, it is well known that sociologists (just like all people) are subject to weaknesses and, sometimes, are inclined to serve up what is desired for what is real (it is enough to recall the December predictions which firmly foretold the victory of Russia's Choice or the latest polls in Belarus, in which Vyacheslav Kebich was leading confidently).

This is why there is nothing surprising in the fact that the Kremlin's current inhabitants are feverishly looking for an opportunity to prevent the onset of the 'Zhirinovskiy Era.' However, the problem here consists of the fact that Yeltsin and his associates currently have no more strong allies, who would want to and could share with them the burden of responsibility and win for the authorities the sympathies of new groups of the population.

Up till now, the president saw in each independent political structure or independent politician a potential threat to his own power. Boris Yeltsin very skillfully created a situation in which a potentially dangerous politician inevitably found himself facing a dilemma: follow the president and, at the same time, lose face (Chernomyrdin) or mutiny and turn into a real opposition member (Rutskoy, Khasbulatov and Zorkin).

Now Rutskoy, Khasbulatov, the "Civic Union" and the supreme soviets have been plunged into political non-existence. Yeltsin is the victor, but all around, Zhirinovskiy is everywhere.

In the present situation, nothing remains except how to discuss the theme: here they are, the fruits of democracy! (It is true, somewhere according to someone, it seems, tanks were firing recently, but who remembers such trifles?). Lukashenko's victory may turn out to be advantageous for those forces which are advocating the introduction of a dictatorship in Russia. Now it should be clear even to a child that it is precisely the boundless Russian democracy which has made Zhirinovskiy the darling of Russian citizens. Apparently, it is finally time to take this toy away from the naughty children.

Under the current conditions, such an assertion may seem logical not only to the current president's supporters, but also to his opponents. In fact, we have all already gotten somewhat used to Boris Nikolayevich, but who will come after him? This is why, more and more frequently in Russia's ruling circles, they are beginning to say that, in order to save the country, it is necessary to extend the presidential terms at least by 2 more years and then, you will see, by 5 years and, perhaps, even to make them lifelong. It should be remembered, however, that even a lifelong presidency does not at all mean an eternal presidency. New general elections will have to take place sooner or later, while their postponement will only contribute to the strengthening of the "Zhirinovskiy Factor" in Russian political life.

Aleksandr Lukashenko's success is basically the "second bell" for the Russian president (the first sounded back in December). As is well known, the [theater] bell rings only three times. After which, the curtain opens and new decorations and new actors appear on the scene.

## ECONOMIC & SOCIAL AFFAIRS

### Nizhniy Novgorod Governor on 1994 Budget, Forecasts Hyperinflation

944E1028A Moscow MOSCOW NEWS in English  
No 24, 17-23 Jun 94 pp 1, 2

[Article by Boris Nemtsov, Governor of the Nizhni Novgorod Region: "Comment: The Ruble Will Test the Regime's Strength"; first paragraph is introductory paragraph]

[Text] Hardly a half a year has elapsed since the country received the current budget, which barely satisfies anyone because some got more in it and others less, yet everyone feels as though they didn't get enough.

And once again, as always, the biggest piece of the pie, comparable only to the budgetary deficit, has been allotted to the armed forces and the military-industrial complex.

It is easy to understand the desire of most deputies, especially those in the Federation Council, to increase this kind of spending. By their logic, a strong army means strong power, and who now does not want strong power even if it is at the expense of the printing press? But there is also another logical inevitability: the larger the budgetary deficit the weaker the ruble, and given a feeble national currency there can be no strong state and no strong power. This is axiomatic.

While allotting tens of trillions of rubles for an undoubtedly important item of expenditure, for some reason, hardly anyone figured out how much bread should cost. Let me answer: its price will be such that subsidies for it will have to be paid from the budget not only to old-age pensioners, but also to the entire sphere of science, education and public health, as well as to workers and specialists of state-owned enterprises. Does Russia have this money?

It doesn't—and this money is really wanting—it means we must expect disorder, and how can power be stable in this situation? Hyperinflation has never yet strengthened it. And, if as a result of politicians' actions the citizens of this country have to pay for their lunch with bags or meters of "candy wrappers", they will not wait for 1996 to express their attitude towards the regime. "Elections" will take place at a much earlier date, and the forces which will emerge victorious in this case will bring about order with ancient and well-known methods.

No matter how strongly the "government of reformers" may be criticized today, it has taught the ruble to work, and this is very important "to bring Russia together" and to rally the former fraternal nations around it.

While purposefully dealing with strengthening the ruble, Russia will much more quickly be able to epitomize the ideal of an economic union within the framework of the Commonwealth of Independent States. And, conversely, the devaluation of the ruble will mean a devaluation of this ideal because, as an Eastern saying goes, even the lame cannot lean on a bad crutch.

A state owes its strength to its financial system and to the stability of its currency. The United States has subordinated half of the world to itself not with aircraft carriers but with the dollar, with the help of which it can easily support or destabilize any regime. Strengthening the ruble is not an idle question at all for Russia, even from the standpoint of its position in the world. If it strengthens the ruble it will continue being a sovereign great power. If it does not it will sink to the role of a vassal.

Regrettably, the ruble zone is shrinking, and it is becoming increasingly difficult to trade in the CIS owing to the impossibility of using national money because of its non-convertibility. In exceptional cases rescue comes from the dollar, yet help could come—on a permanent basis—from the ruble. For this two things are indispensable: the creation of a banking union and a balanced strengthening of the ruble. And here there is but one road—through the economy's improvement on the basis of well-considered initiatives.

The ruble cannot be strengthened without austerity at every level and especially at the state level. But for some reason it is precisely here, at the state level, that projects are easily created, even though they are not distinguished by topicality and yet demand fantastic investments, like the concepts of building a Parliamentary Centre in Presnya or a Disneyland in Moscow.

I would also include among such initiatives the Defense Minister's desire to invest eight trillion rubles at once in the construction of housing for 400,000 officers. Is it possible to build 400,000 flats for one category of citizen in a year's time? I do not think so.

It would be a different matter if the same 20 million roubles, and it is exactly this sum that would be allotted per officer, were deposited for him into a special account. Then everyone could be allowed to decide their housing problems on their own. Under such a plan, money would no longer get lost because it would be guarded by private interest. And if not in a year, then in two years, an officer's family would provide itself with the necessary "square meters". The printing press must be switched on to prevent, for example, a dangerous level of unemployment. Even inflation must have its uncrossable limits, for otherwise there will be chaos. The ruble and power, the ruble and stability, are held together by one chain and there is a need for dependable indicators to measure its tension. Judging by the budget adopted by the Duma in its second reading, we have not yet acquired those indicators.

## REGIONAL AFFAIRS

### Draft Law on Kaliningrad Territory Status Reviewed

944F0918B Moscow SEGODNYA in Russian 2 Jul 94 p 3

[Article by Aleksandr Bekker: "Kaliningrad Aspires to Private Investments; Aspirations are Backed by Attractive Plans"]

[Text] Federation Council Chairman Vladimir Shumeyko is expected to visit Kaliningrad on Monday. During his 3-day visit, the details for the draft law, "On Elevating the Status of the RF on the Territory of Kaliningrad Oblast," will

evidently be finalized. Mr. Shumeyko actively supported its preparation and, we must assume, in September the draft will be submitted to the State Duma.

One of the main practical tasks charged to this legislative statute is to create conditions for a broad influx of private capital to Kaliningrad Oblast. This capital may be attracted only with a significant increase in the level of profitability of investments. In this connection, the significant reduction of taxes in the regional economy seems most logical. Such a reduction is facilitated by the "local" status of all taxes on the territory of the enclave.

The problem of reducing base prices in Kaliningrad Oblast is much more difficult. Nevertheless, with the cooperation of the government, it is possible to conclude private agreements with the enterprises of the TEK [heat and power complex] and transport on reducing the level of prices here in exchange for packets of "preferential" stocks in the Russian State Stock Society (RGAO) which operates on the territory of the enclave. According to the affirmations of the developers of the idea of the RGAO from the Center for Analytical Information on Political Conditions (TsIAPK), these shares give the right to receive guaranteed income based on the results of the company's activity. It is believed that this variant will be attractive for oilmen and transport workers, since their activity is extremely complicated by the non-payments crisis and the reduced demand on the domestic market.

Another significant problem in the way of expanding investments remains their high risk and almost total absence of guarantees. The generally accepted international standards for making investments presuppose mandatory guarantees of major operations or insurance of commercial and political risk in specialized organizations, or through the introduction of mortgages. This moment is particularly significant for investors in the developed countries of the West, where banking legislation generally prohibits the financing of unsecured deals and projects. It is indicative that all categories of foreign banks having branches and representations in Russia, the approximately 30 Russian banks with purely foreign capital, and the clients of Russian banks present on the domestic market, aside from servicing the "non-residents," have concentrated their activity exclusively on the market in state credit obligations—the securities of the Foreign Economic Bank and state short-term securities.

The introduction of private ownership of land, which is the basis for the right of mortgage, today appears as an insoluble problem to the TsIAPK experts, and in Kaliningrad Oblast especially—due to the prospects of foreign citizens buying up the land. Today the only possible large-scale form of provision of investment activity are state guarantees. In this sense, the regional RGAO is capable of playing the role of guarantor of economic activity with greatest success—due to the unique combination of economic might and administrative power in one body.

The basic problem of the project for regional development proposed by the TsIAPK is the accumulation of funds by the insurance company in an amount sufficient for attracting

large investment resources of domestic and foreign capital. The insurance company created within the framework of the RGAO is by its status state-owned, and its securities and bonds are recognized as secured assets of the Russian Federation and equated to state loan bonds. However, as demonstrated by the experience in formulating organizations for state insurance of commercial risks, the government is inclined to believe that the state should be trusted "at its word." The problem of allocating sufficient federal monies in insurance funds today may be considered rather complex.

On the whole, however, the result of the present project may become an international AO [joint-stock company] with founding participation by governments and corporations of countries on whose territory the construction will be implemented. This project is interesting also in that it is capable of greatly revitalizing the economies of all the adjoining regions, since such large-scale construction always becomes a zone of permanent investment and industrial demand. We might add also that one of the reasons for the industrial upswing in Russia at the end of the last century—at the initiative of the then-Minister of Finance S. Yu. Vitte—became the unprecedented railroad construction, which with stable state financing created a sector of stable demand for investments and industrial production in the economy.

The allocation of packets of non-voting preferred stock to the states adjoining Kaliningrad Oblast entails also a certain political benefit: In this case, a certain substitute for international participation in the vital activity of the enclave is formulated, without affecting the sphere of state sovereignty. International participation in this case is permitted exclusively in the economic sphere, simultaneously with the expansion of investment activity, thus intertwining the relations of ownership of the oblast territory. In time, this specifically is what will make even the very formulation of the question of changing state affiliation of the territory of Kaliningrad Oblast impossible.

This aspect of the "proposals" is particularly important in connection with the 50th Anniversary of the Potsdam Treaty and the theoretically possible aspirations of third countries to force a change in the state affiliation of Kaliningrad Oblast. Participation of Poland and Lithuania—the primary initiators of the discussion of the "Kaliningrad" problem in the international arena—in the RGAO is capable of significantly strengthening the sovereignty of Russia in the region.

#### **Municipal Mortgage Bank Opens in Saratov**

944F09184 Moscow IZVESTIYA in Russian 7 Jul 94 p 5

[Article by Aleksandr Kislov: "I Mortgaged My Apartment for Credit and Built a Cottage; This Scheme is Used by Russia's First Municipal Mortgage Bank in Saratov"]

[Text] At the beginning of June, the Central Bank issued a license to the country's first municipal mortgage bank, "Radograd," which was founded in Saratov. Now already 15 cities in Russia are beginning to develop the Saratov model, which has a clear social orientation.

It took over a year to convince the oblast, and then also the federal, leadership of the promising nature of the idea. One of its authors, Vice-Mayor Dmitriy Lyatskov, is convinced that the experiment is doomed to success, since it has already been tested, although it is true, by rather old practice.

"In Saratov," he says, "until 1917 there was a branched banking network which also included the so-called city public bank, the prototype of our municipal bank. It financed the construction of the university, the trolley road, and a number of city institutions of a social character. Today the functions and capacities of the municipal bank will be even broader. The local self-government will receive the additional source of financing for social programs which it so badly needs and as a result the population will be the winner."

Within the "Radograd" fund, which comprises 1 billion rubles (R), the controlling packet of stock—51 percent—belongs to the city of Saratov. This contribution was made in the form of land plots and buildings. The other 49 percent, which have been distributed between 180 stockholders, ranging from the world's largest aviation plant to the private individual, are called upon to ensure the influx of monetary capital. In a year-and-a-half or two, when the results of the experiments are to be summarized, it is expected that the credit resources of "Radograd" will have grown to R100 billion rubles.

In Saratov they are pinning great hopes on the new bank, which is to ensure a breakthrough primarily in the construction of housing, telecommunications and roads.

At one time this city had the greatest number of housing construction cooperatives in the country. Then prices and tariffs sharply surged ahead, outstripping the income of the shareholders, and the ZhSK [house-building combines] went into decline. Nevertheless, the housing and real estate market today is exhibiting a stable tendency toward development. It is important to determine how to involve both the population and the enterprises in this process with the aid of the mechanism of mortgage credit. At the very outset, they made the following stipulation: Mortgages in housing construction are not social charity, but relations of owners who are jointly creating new wealth.

The scheme is as follows. Let us suppose, the owner of a "khrushchevka" [apartment received during Khrushchev era] wants to build a cottage. After appraisal of his property and study of the project-estimate documentation, the bank uses this property as collateral in issuing a long-term credit at a rather lucrative interest rate. As its construction is completed, the newly created property increases the mortgage value, and reduces the degree of risk of the investors. After the house is built, the vacated apartment replenishes the city's housing fund or goes up for sale at auction. And the owner of the cottage pays off his debts, if there are any left by this time.

Obviously, today it is impossible to provide everyone who wants to have his own house with preferential credits. However, as it accumulates resources, the bank may make a significant contribution to the realization of the city's housing construction program.



### Tatarstan State Duma Deputy Morozov on Current Situation

944F08841 Moscow ROSSIYA in Russian  
 No. 24, 29 Jun 94 p. 3

[Interview with Oleg Morozov, Tatarstan State Duma Deputy, by Aleksandr Yevlakhov: "Is the Federative Treaty Dead?", date and place not given]

[Text] Several reasons prompted me to meet with Tatarstan State Duma Deputy Oleg Morozov. First and foremost is the fact that, in this republic, as of 1 July, prices are being freed. Second is the circumstance that he, having been elected only in March, has become almost the youngest deputy of the present convocation in terms of length of service. The republic's voters, from among the many candidates, gave their preference to the 40-year old candidate of philosophical sciences and assistant general manager of one of Moscow's NPOs [Scientific Production Association] (by the way, O. Morozov's last job in Tatarstan was department head of the oblast committee of the CPSU in 1989).

[Yevlakhov] Oleg, some analysts name as the main trait of Tatarstan not even the ethnic features, but rather the "socialistic" sentiments. Is this so in your opinion?

[Morozov] I would not say that Tatarstan is "more socialistic" than other federation entities. From my point of view, it has simply cultivated a certain dominant idea of its own development, which is associated with controllability. The roots of this trend have been predetermined by many factors: the historically established style of leadership, the national factor and the special features of the Tatar village with its stability and respect for rank. Any normal politician in the republic, of course, recognizes that the market is a wave which, in the end, will knock down any door and the situation in Tatarstan will not be like that which has emerged in Russia's other regions. That prices cannot be restrained endlessly is no less obvious. But Moscow, with its primordial liberalism, is a distinctive social intellect. It could survive that shock which it experienced in 1992. It was simply impossible to perform such a procedure with Tatarstan. Given the social instability in the republic and the strong national movements, this would have meant coming under their assault. The switch would have been thrown instantly to the national rails. A version of movement into the market was found, with no letting go of the reins. This is even not a gentle entry into it, but a controlled entry.

Today, however, it is already impossible to endure that concept of entry into the market, which the republic previously had. There are neither the resources nor the funds.

[Yevlakhov] Do you think that the time for Yeltsin's trip to Tatarstan has not been selected by chance? Is this associated with some special feature of the moment?

[Morozov] Undoubtedly. First, this is associated with the treaty. Second, this is an experiment—good or bad—and it is necessary to look at it. Third, a number of problems have cropped up in Tatarstan, the key to the solution of which lies outside the republic's boundaries. Tatarstan is the largest

focus of the defense industry of Russian [Federation] importance: the aviation plant and KamAZ [Kama Motor Vehicle Plant]. For the first quarter, Kazan's defense order was funded in all by 7 percent. This is an order which comes from the defense-industry workers who simply do not buy finished products. Bullets, shells, powder. According to my calculations, 250,000 people, nearly a third of the population, are sitting around without money. We are simply running a risk. There may be a social explosion.

[Yevlakhov] But the military budget is 50 percent of the country's revenues...

[Morozov] We were discussing this in fractions. The budget, which is driving the defense industry to its knees and simultaneously "reducing" the army, is becoming simply dangerous. Today, it is better to pay wages, it is cheaper, than to send them into civilian life. There are things for which it is impossible not to pay. For example, the scrapped submarines. Otherwise, we will be building one more Chernobyl.

[Yevlakhov] But this requires directed funding....

[Morozov] That is perfectly correct. This is precisely what we have been fighting for, demanding from the army a complete disclosure of all expenditures. Show what is going to the soldiers, what is going to the generals, what is going for conversion and what is going for state orders for the purchasing of arms, not in France, but from our own producers.

[Yevlakhov] And how, finally, did you express your attitude toward the budget?

[Morozov] I voted against it because this is the most natural profanation. After all, it is perfectly clear that it will be carried out by the government through an increase in the deficit and this will be done even without any duma. Chernomyrdin will stretch the money; it will be needed for the dismantling of the reactors and he will find it. Where will he go? The government has been playing it safe: if you vote "for"—you take the responsibility. If you vote "against"—this is also fine. We will decide everything ourselves.

[Yevlakhov] But during the election campaign, were there no reproaches that, supposedly, you are being elected to the legislative body of "another state?"

[Morozov] This card was played, but no one said this at the meetings. For the majority of ordinary people, their republic's representation in the Duma is something which simply had to be.

[Yevlakhov] Yet, nevertheless, there is a "hotbed of national excitement" in the republic. The question is, is it burning stronger than, for example, in 1991 or has its flame died down somewhat?

[Morozov] The peak came, as you recall, in the fall of 1991 and hardly touched 1992. Shaymiyev, I believe, then walked on the razor's edge. He was compelled to raise the national banner and to declare Tatarstan's independence and its special path of development. Otherwise, he simply would not have kept his position. Who would have turned up in his place is unknown. In any event, it certainly would not have



been Gaydar's supporters, but it quite possibly might have been those with green banners in their hands. So Shaymiyev showed himself to be a wise politician.

[Yevlakhov] But, apparently, it must be acknowledged that, in this instance, wisdom was also displayed by the Russian [Federation] leadership. Despite the numerous calls "to investigate" and to conduct mutual relations in accordance with the constitution, it tried not to draw attention to the declarations and statements of the republic's leadership, recognizing that Tatarstan really had nowhere to go.

[Morozov] Undoubtedly, there was wisdom on both sides. Yeltsin and Shaymiyev followed, as it were, the principle: I understand that you understand that I understand...

[Yevlakhov] You, as far as I can judge, sat in a vacant deputy seat as one of the last. What is your impression of the duma?

[Morozov] The duma is a strikingly balanced organism. It is doomed to centrism. The fact is that it has clearly marked wings. Arbitrarily speaking, on the one side are the agrarians and the communists and on the other is Gaydar. Further, closer to the center are PRESS, the "New Regional Policy" and so on. As a result, not a single extreme decision can pass as defined. It may be initiated, but it will inevitably acquire a centrist ring. And there is a second thing. In contrast to the Supreme Soviet which became the opposition to the government and the president, the duma is not like that. An opponent, yes, but not a rigid opposition.

[Yevlakhov] Incidentally, how do you regard Shakhray's concept of the federative structure? Not too long ago, he was in our editorial office and expressed the opinion that, in the future, we will not have eighty federation entities. They will be replaced by larger regional formations—the Northwest, the Urals, Siberia, the Far East and so on.

[Morozov] As far as the krais and oblasts are concerned, this may be so. But with respect to the republics, I am certain that all of them will remain as entities and will traverse their own agonizing road of the independence which is the maximum presently available. And there will never be any kind of federation from above. This idea is doomed. The idea of the delegation of authority is the only normal path. Why is the Federative Treaty dead? Because it was devised in the Kremlin.

[Yevlakhov] But it was devised in the Kremlin because, in all the years past, we frightened one another and our own selves with the absurd assertion that Russia will fall apart just like the [Soviet] Union.

[Morozov] This can occur only when some territory is placed into such a position that a mutiny against the center will begin there. But why must it come to this? The model of Tatarstan, from my point of view, is that module which makes it possible to build a federation from below.

## INTERNATIONAL AFFAIRS

### Situation of Vietnamese Workers in Russia Considered

9441-09214 Moscow IZVESTIYA in Russian 7 Jul 94 p 4

[Article by Boris Vinogradov, "The Round-Up, Or the Vietnamese Syndrome in Moscow"]

[Text] In the southwestern outskirts of the capital, in the area of Aminyevskiy Highway, the purge of two trade buildings occupied by Vietnamese merchants continues into its second month.

Their property, appraised at 20 billion rubles (R), has been seized. The rooms have been sealed, and bundles of goods are being taken to the warehouses of the Gosfond [State Fund]. Day and night, the quiet opposition against the OMON [Special Purpose Militia Detachment] continues. Rumors to the effect that investigators are on the trail of the "Asian mafia," which has put down roots throughout all of Russia, are spreading throughout the capital, growing with ever more terrible details. Vietnamese Prime Minister Vo Van Kiet, who recently visited Moscow, asked Viktor Chernomyrdin not to violate the legal order in investigating this case, and to protect citizens of the SRV [Socialist Republic of Vietnam] against tyranny.

#### Something is missing in the soup...

As they say, it is a dark case. It has been filed under Article 162 of the RSFSR Criminal Code against Chin Viet Ngo—the general director of the Russian firm "Vinako," which leases two 9-story dormitories from the AO [joint-stock company] "Mospromstroy." Ngo is being accused of engaging in illegal trade and tax evasion. According to the data of the auditor's investigation, sums in rubles and currency far surpassing his officially declared income were found in his accounts at "Lesprombank."

He supposedly sublet 420 rooms to private firms, among which were not only Vietnamese, but also Russian companies. They were the ones who suffered the most—the real owners of the goods, which disappeared before their very eyes together with the money and accounting ledgers. In a single hour, around 1,000 unfortunates were deprived of R200 million and \$440,000 in cash.

Who are these people? For the most part, they are Vietnamese who decided to make their fortune in Russia through shuttle operations and trade in consumer goods from Thailand, China, Hong Kong, Taiwan, Singapore and South Korea. Having taken home the bank credit and mortgaging their real property and family goods for it, they moved onto the Russian market.

From the very beginning, there were many unexpected coincidences and intriguing inconsistencies in this story. People with imagination saw a certain symbolism in the fact that the operation, which received the code name "Saigon" in the press, began on 19 May—the birthday of Ho Chi Minh. The workers of the Vietnamese embassy who sent a note of protest to the Russian MFA [Ministry of Foreign Affairs], seriously asked the diplomats whether there were

any ideological underpinnings here. Petrovka 38 swears that it did not intend to insult the memory of the people's leader, and that the coincidence was purely accidental. Moreover, they recalled at the MVD [Ministry of Internal Affairs], that this same date also marked the birthday of the Young Pioneer organization of the former USSR, which also was not timed with the seizure of the goods.

Nevertheless, the demonstration of force made an impression. Almost 300 OMON troops, armed militiamen and troops from the capital's mayoralty suddenly swarmed onto Aminyevskiy Highway and, without encountering any particular resistance, occupied both buildings. The search for presence of drugs and weapons yielded no results. They found only a packet with some white powder. An expert investigation showed that this was ordinary gluconate, from which, we might add, the Vietnamese also derive pleasure by putting it in their soup, "pho."

It is curious that the Moscow UVD [Internal Affairs Administration] considers the Vietnamese as being far from the most xenogenic element in the capital. Many do not understand why, in a capital where there are explosions almost every day and murders are being committed, such huge forces were deployed for the purpose of liquidating a generally harmless trading station. Who thought up this operation and gave it his blessing—that remains a riddle.

The buildings are under doubled guard. The militia keeps round-the-clock watch over the floors and access ways, while the Vietnamese observe from the street. One cannot help but feel sorry for both sides. The former have grown tired of the fatiguing watchfulness, and the latter are being tortured by not knowing what will happen with their bundles and valuables. Much has already been stolen.

Not long ago, even been anything like this in the practical experience of the judicial organs, admits Lyudmila Fedorova, the deputy chief of the UVD investigative section for the Western District of Moscow. She says: If it is proven that the "Vinako" firm engaged in trade without a license, all the goods will be confiscated in favor of the state. But will the case come to trial? Or will the parties find another resolution to this unusual lawsuit?

#### Gangsters and philanthropists

In the meantime, while the case is being investigated but there is not even a whiff of justice, Chin Viet Ngo, like a trapped animal, sits in his apartment, afraid to show himself to his fellow countrymen. They have promised to deal with him. He has not fulfilled their trust, and has not provided reliable guarantees. He can also not appear in Hanoi. They will kill him there. It is strange, but the prosecutor's office is not calling him in for questioning.

He agreed to meet with me after lengthy negotiations through his aides. Even now he believes that he will be able to buy his way out of this situation. He does not understand who "fingered" him. He was a frequent guest at the district tax inspection. He gave gifts and asked to be told "if everything is not just so." He had many competitors and

many who envied him, yet it seemed that he got along with all of them, including also with the Moscow mafia, which "guarded" his firm.

There were many inspections. The latest was a few months ago. No violations were found. He gave gifts to the inspectors and the deputies, to the militia and the firemen. He engaged in charity work, gave to the poor and underprivileged, donated to kindergartens and religious institutions, took the inhabitants of the rooms out for volunteer Saturday work days.

"Vinako," like any firm, has its trade secrets. Ngo insists on his own: He engaged, according to the charter and the agreement, only in leasing and subletting. The clients brought their goods here through Germany, Poland, and the seaports of Ukraine and Russia, and then sold them at the open-air markets and in the stores of Moscow and other cities. There is supposedly nothing criminal about this. Five other Vietnamese houses, as well as tens of Chinese, Mongolian, Arabic and Turkish trade houses, operate in the capital in a similar manner.

The firm, whose very name, by the irony of fate, includes the word "vina" [guilt], was founded in 1992. Among its founders were two Russians. For some reason, their surnames are not mentioned in the investigative documents. The primary blow fell onto the head of Chin Viet Ngo. Before, he tells us, these dormitories were leased from "Mospromstroy" by another firm, "Flamingo," which was owned by Irina Zismay—the head of the independent radio station "Voice of Irina," created with the money of the "Vietkieu"—Vietnamese emigrants living in the USA, France and Australia.

Two years ago, "Flamingo" handed over both of the buildings to the newly formed "Vinako." This was the time when an agreement was reached at the level of inter-governmental commissions regarding the expansion of relations between participants, and the idea of opening Vietnamese trade streets in Moscow, and Russian ones in Hanoi, received approval. The idea blossomed into the creation of the houses, which the Moscow residents called "roach houses."

Those in the know at the MFER [Ministry of Foreign Economic Relations] believe that the fervent activity of the firm was not to the liking of other commercial structures which had their own interests on the imported consumer goods market and their sights on the building, where a square meter of housing space costs up to \$1,000. Moreover, one of my interviewees shared the opinion that Irina Zismay is preparing to establish something akin to a Vietnamese colony in the village of Lesnoy in Pushkinskiy Rayon of Moscow Oblast, where she has leased a large plot of land with residential structures and warehouses.

The grand opening will be held soon. One space in this reservation will cost \$2,500. That means, if they close down "Vinako," the spaceholders from Aminyevskiy Highway will have nowhere else to go but out of the city.

**Gentlemen, help me get to Hanoi!**

The round-up has coincided in time also with yet another appeal by the capital's mayor's office to purge the city of illegals.

All my efforts to get information on the number of aliens and the scope of this epidemic did not meet with success. I became convinced that we do not have an agency or department in our country which deals directly with this problem and sees a means for its resolution. The MVD, FSK [Federal Counterintelligence Service], FMS [Federal Migration Service] and OVIR [Department of Visas and Registration of Foreign Citizens] do not have precise data on this question. The figures are intuitive. Someone said that there are over 500,000 illegals in Russia.

Almost one-tenth of these are Vietnamese. The Chinese are in first place. No one has counted the citizens from the near abroad. As I was told by the acting chief of OVIR, Nikolay Kovalenko, they too should be placed on the blacklist under the new regulations. The situation has gone out of control with the disintegration of the union state.

On the general background of the foreign diaspora, the Vietnamese have "been exposed" sooner than the others. Even 13 years ago, when the agreement to send them to Soviet enterprises was concluded, the first runaways appeared. For the present day, over 3,000 persons are listed as being under criminal investigation. Surely, some of these are among those who are today trading on the markets of Moscow or Saratov.

Thousands of them, laid off from the plants and factories, are wandering throughout the cities, earning their livelihood through trade and odd jobs. The chief of the Orel militia recently reported that he caught 230 Vietnamese and wants to send them to Moscow to be placed under the patronage of the Mintrud [Ministry of Labor]. The AO "Orelstroy" and AO "Staleprokatniy Zavod," where they worked under contract, kicked them out into the street, without paying their way home. Potentially, they are new recruits for the army of commercial travellers, ready to go into the service of their fellow countrymen who will give them shelter and employment.

The chief specialist on foreign manpower at the RF Mint-rud, Galina Blokhina, told me that our privatized enterprises are ignoring the old obligations of the state. Having themselves fallen on hard times, they do not want to spend the money on a ticket from Moscow to Hanoi which costs R670,000. An interdepartmental commission is asking the Council of Ministers to allocate at least 50 percent of this money from the state budget. The government responds: There is no money.

The delegation from Hanoi to Moscow reminded Deputy Chairman of the Government Yuriy Yarov that the treaties must be fulfilled. After all, these people, who made their contribution to the development of the Russian economy for a period of 4 or 6 years, without demanding any benefits or improved housing, and without striking, have served their time and now must return to their homeland.

To Vo Van Kiet's proposal that cooperation in this sphere be continued, Viktor Chernomyrdin responded with a decisive rejection.

## POLITICAL AFFAIRS

**Crimean Militia Funding Queried**

944K1710A *Simferopol YUZHNY KURYER in Russian*  
8 Jul 94 p 1

[Report by Grigoriy Ioffe: "115 billion? Certainly! The Crimean Budget Is Full of 'Intrinsic' Reserves, Apparently"]

[Text] The plenary sitting of the Supreme Council of Crimea, which began on Wednesday, showed, in my view, an intensifying trend in our parliament's activity. It amounts to the deputies viewing everything happening behind the walls of the Simferopol "Pentagon" through the prism of political showdowns in the meeting hall. And what is most distressing—they consider this view the sole correct one.

It was ascertained, for example, that in the fervor of muscle-flexing before Kiev the adopted decree connected with the situation surrounding the Crimean militia included mentions of Ukrainian laws that had not yet been implemented and had not even been signed in the established procedure. These include, as M.S. Tyutyunnik, chairman of the Supreme Court of Crimea, explained to the deputies, the law on the delineation of powers between the authorities of Ukraine and Crimea. Logic would appear to suggest that since the laws of Ukraine, which violate (in the opinion of the Crimean parliament) the fundamentals of statehood on the peninsula, are not operative as yet, the most prudent thing would be to wait and see in what this situation results and only then adopt the corresponding resolution. But no! It was proudly stated, inter alia, from the lofty parliamentary platform as regards the law on the delineation of powers: Kiev believes that this law does not operate, we maintain that it does! Pride is, truly, beyond logic.

Paradoxical things, to put it no more strongly, then began to happen. The members of parliament, together with the government, began to seek funds in the Crimean budget for the upkeep of the militia—it was decided that a little more than 100 billion karbovantsy would be sufficient for this as yet. This search lasted a whole day, and it was even agreed to introduce manifest features of state monopolism in insurance in the republic. For today, after all, the Crimean militia continues to be funded from Kiev via the newly formed Main Directorate of the MVD of Ukraine for Crimea. So it transpires that the budget lances were broken only over the fact that General Kuznetsov, who continues in proud isolation to occupy the office of leader of the republic's internal affairs authorities, without in fact being such, is not being financed.

The most painful question concerning the coming increase in the price of bread and targeted subsidies (more precisely, concerning where the funds for this are to come from) for the needy strata of the populace was, meanwhile, simply never considered. With that same pride, the deputies boldly adopted the decision to talk about our daily bread only in the presence of the president. But he, as the speaker announced, will until the end of the week be in Switzerland. I was unable to find out in Yu. Meshkov's press office, unfortunately, the purposes of his repeat visit to Geneva.

The same day, the Communists and the trade unions staged a mass protest meeting in Simferopol. The president and his entourage, parliament, and the fledgling capitalist structures were named as being to blame for the abrupt decline in the living standard. Mr. Los, who put in an appearance at the demonstration surrounded by his loyal associates, was not admitted to the improvised rostrum. He was able subsequently, all the same, to organize his own teach-in, as always gratifying his ecstatic admirers with his eloquence. His entire fervor amounted to the simple idea that the Communists and nationalists (only Ukrainian, of course, who are preventing Meshkov from making our lives happy) are to blame for everything.

Parliament, meanwhile, was discussing the Bankruptcy Act. This term is employed as yet only economically. Will it be so long?

**Saburov Says Kiev 'Difficult To Work With'**

944K1708A *Donetsk AKTSENT in Russian* 8 Jul 94 p 1

[Article by S. Frolov: "Yevgeniy Saburov: 'It Is Very Difficult To Work With Kiev at All'"]

[Text] "It is very difficult to work with Kiev at all. You have there such a sophisticated combination of Eastern insidiousness and the guile of the old central committees.... Most people there do not have the slightest understanding of what a rule-of-law state is. The conduct of the Ukrainian authorities can be compared to that of a slave who does not wish simply to be free—he absolutely must become a master and oppress someone in revenge for his past. From this proceeds treatment of the Crimea as a colony. From this proceeds the failure to recognize any rights of the peninsula, forcible and senseless Ukrainization. They have to send textbooks to our schools printed only in Ukrainian! And then all these Middle Ages discussions on the theme 'To whom does Crimea belong?'"

"Unfortunately, Ukraine is still too much a communist country. Statehood is just being born there. Its rulers see great significance in personal contacts and their own interests...."

"Why? There are decent people in the Ukrainian Government, whose activity is understandable to me and merits sympathy. I will not name names. But in Kiev there are more of those whose time has long since passed...."

**Donbass Labor Backs Shcherbanya Candidacy**

944K1706A *Donetsk VECHERNIY DONETSK in Russian*  
8 Jul 94 p 1

[Miners' appeal: "In Voting for V.P. Shcherbanya You Are Voting for the Revival of the Donbass"]

[Text] Selidovo, 4 July—We representatives of the work force of mines of Donetsk Oblast appeal to inhabitants of the Donbass.

We have all lived for many decades with the hope of building a democratic society. And now, when this time for the Ukrainian people has come, the electorate itself, by its own hand, could wipe out this democracy by failing to go to the polls. We would in this way be supporting the old

communist structures, which always considered the people brutes and always instilled in the ordinary workhorse: "Thinking will be done for you; your job is just to approve everything, and that alone."

The old command-administrative system is putting up stubborn resistance to everything new. Even the notorious amendment to the Election Act adopted nine days prior to the start of the balloting confirms that the old, decrepit ways will not give way to the new without a fight. The present situation suits the system, and it is hoping that the people will not turn out for the elections, and then all will remain in their places—the collapse of the economy will continue, strikes, hunger strikes, and the picketing of parliament will continue, everyone all around will be to blame, hence, no one.

Esteemed inhabitants of Donetsk Oblast, you have a choice: Go to the polls on 10 July and vote for Vladimir Shcherbanya and thereby give the green light to the new times and begin the revival of the Donbass together;

Leave everything as it is, that is, wild inflation and the holdups in pay, pensions, and grants, and there will be even greater impoverishment and, ultimately, the "Romanian" version, which would destroy the Donbass conclusively.

Inhabitants of Donbass Oblast! In voting on 10 July for Vladimir Shcherbanya, we are sure that you also will cast your votes in support of a man who will implement his slogan: "Let us revive our Donbass together!"

Adopted at a meeting of representatives of the strike committees of the mines of Donetsk Oblast.

**Faction Leader Blasts Crimean Government**  
944K1704B Simferopol KRYMSKIYE IZVESTIYA  
in Russian 7 Jul 94 p 1

[Interview with Vladimir Shevyev, head of the "Reform" faction, by N. Gavrilava; place and date not given: "In Future—Report of the Government"]

[Text] The traditional meeting of the presidium of the Supreme Council did not come to an end on Monday: The package of issues related to the government went unconsidered. Since its representatives did not appear, the session was carried over to Tuesday. But again that day the leading figures—the president and the deputy prime minister—did not come, but instead empowered the ministers of finance and the economy to represent their interests in the presidium. After a lengthy debate, a decision was made for the program for economic development of the Republic of Crimea over the coming years to be put on the agenda of the session for Wednesday, when Yevgeniy Saburov would be heard.

But yesterday the chairs of the president and members of the government were empty once again: Yuriy Aleksandrovich, it was said, was in Switzerland and "would be arriving roughly at the end of the week," and without him there was no point in taking up anything serious. What is more, the two weeks given the government to prepare its own structure expired long ago, but....

Here is how Vladimir Shevyev, leader of the Reform faction, sees the situation:

"The government is not giving us the opportunity to examine the program; it is not presenting proposals for its own structure and for approval of the heads of these structural subdivisions. I think it is doing that in order to decide matters here and now (in the corridors).

"So why did I make a speech today? When the Supreme Council invites it to a session, and the government does not respond, it should answer for its actions, since the time is coming, and it is not far off—fall is around the corner—when the government will say it was impossible to make preparations for winter because we did not approve the structure and the personnel, and they were unable to work in a state of suspended animation. That is why I have been insisting that this matter be taken up immediately. I see that in the work of the government there is no provision for the extraordinary economic situation that has come about. If you recall, I presented a proposal in the last session: Let us sit down together and think about what should be done. Do you think there was any response to that?"

[Gavrilava] Perhaps action depends to some extent on you?

[Shevyev] What am I supposed to do? This is how I see it: The government organizes a meeting, we sit down at the same table, and we think what to do and how to do it. I give as an example the decision to raise the price of bread; we all understand that the price increase is necessary, because we are feeding vacationers out of our budget (although I personally feel that these matters could have been solved in another way—by collecting a certain fee from those who come, and this would be used to compensate our costs), but Crimeans should not be driven to the edge of survival. But the government has taken an irresponsible approach to this issue.

When the government was formed, the majority in the Supreme Council—the Russia bloc—was victorious, and it was supposed to form a government. At the time I supported the idea. But now why is that government not working to implement the bloc's program? The deputies need to ask the government and the president about this.

[Gavrilava] And does the Supreme Council intend to do that?

[Shevyev] A decision was made today about the government's report for this period. If Yuriy Aleksandrovich does not come, Yevgeniy Fedorovich will come. You know that under the law the president must deliver a report twice a year, but the government can be heard at any time. The Supreme Council can always vote a lack of confidence in the government, and then the president makes the decision to dissolve it and proposes a new government.

[Gavrilava] And is there a bloodless way out of this situation?

[Shevyev] There is—if everyone will work, and get away from politics, if we stop calling each other names in the press because of what someone has said, and we think together about the people of Crimea—that is the whole thing. And let the devil take those who do not work....



**Crimean Communists' Call for Unification***944K1688A Simferopol KRYMSKAYA PRAVDA  
in Russian 6 Jul 94 p 1*

[Communist Party of Crimea position paper: "Three Matters of Principle"]

[Text] The newspaper has received a document reflecting the position of the Communist Party of Crimea.

The Presidium of the Republic Committee of the Communist Party of Crimea, it says, analyzing the situation in Ukraine and the Republic of Crimea, affirms that relative financial stabilization, given the continuing decline in production and the reduction in effective demand, is merely of a temporary, artificial nature. Despite the fact that the attainment of world prices for energy has removed the external sources of inflation, its domestic sources are continuing their devastating effect. A further intensification of the crisis and the increasing impoverishment of the people are inevitable and could bring about a social explosion. In this situation a search for ways to avert a menacing catastrophe should be the main task of the political forces and power structures of the republic, the Supreme Council and the president included.

For the achievement of mutual understanding between the power structures and political parties it is necessary to determine the strategic course of our republic's development. The Presidium of the Republic Committee of the Communist Party of Crimea considers it essential to once again set forth its position on three matters of principle that determine this course:

- the geopolitical course of the Republic of Crimea;
- the system of power;
- social and economic relations

**I.**

Remaining a convinced supporter of the restoration of unified statehood, the Communist Party is prepared to support all specific steps in the direction of the unification of the fraternal republics. The communists are opposed to the catastrophic path of the further collapse of Russia, Ukraine, and the other republics and a violation of the principle of their territorial integrity inasmuch as there is a legitimate way to unification based on denunciation of the Belovezha Agreement and the search for a mutually acceptable formula of unification in an economic and military-political union.

**II.**

The Communist Party attaches exceptional importance to the preservation of the system of soviets as the highest form of the political power of the people. It is emphasized here that the soviets are in need of further development and reform and that this form of power of the people should be infused with genuinely socialist, democratic content, but that the ultimate task of the reform of the soviets is a transition from power in the interests of the working people, which is what we had in the past, to the power of the working people themselves. The Communist Party of Crimea consistently advocates the chairman of the city and rayon soviets being elected by the whole population of the city or rayon and upholds a precise

delineation of the functions of the representative and executive authorities and the accountability of the executive structures to the soviets.

**III.**

The Communist Party believes that the objective regularities of society's development require the socialist orientation of the social and economic course of the Republic of Crimea and the other fraternal republics. But this socialism rejects state authoritarianism, the command-administrative system of control of the economy, the secret formation of personnel policy, and so forth.

Taking account of the situation that has taken shape in the national economy, the communists see as the economic basis a multistructure economy with preservation of the lead role of public property and government regulation, which affords a real basis for civil accord, requiring a combination of the interests of various social strata—from the workers through native entrepreneurs. But the communists are categorically opposed to the total destruction of public property.

Arguing its viewpoint on the matters of principle set forth, the Presidium of the Republic Committee of the Communist Party of Crimea declares that it deems possible on this basis the achievement of mutual understanding with political parties, the power structures, and the president of the republic and consolidation with them in the establishment of an affinity of views.

**Crimea Refutes Legality of Ukraine Laws***944K1704A Simferopol KRYMSKIYE IZVESTIYA  
in Russian 7 Jul 94 p 1*

[Article by A. Palmin, director of the press center of the Crimean Supreme Council: "Session of the Supreme Council of Crimea"]

[Text] Plenary meetings of the first session of the Supreme Council of Crimea are continuing in Simferopol, chaired by S. Tsekov, chairman of the Supreme Council. In the morning meeting on 6 July the deputies put several items on the agenda, specifically the report of the republic's government, information about measures to be taken by the government to combat the consequences of the drought, etc.

A. Melnikov, deputy chairman of the Supreme Council of Crimea, presented a report in the meeting on amendments and supplements to the decree of the Supreme Council of Crimea "On Enforcement of the Constitutional Foundations of the Statehood of the Republic of Crimea." The decree provides that legal recognition shall be denied to all legislative and normative acts of the legislative and executive authorities of Ukraine that contradict the Constitution of the Republic of Crimea or revoke laws and decrees of the Supreme Council of Crimea, decrees of the president of the Republic of Crimea, or normative acts of the executive authority of Crimea, issued within their competence as set forth in the law of Ukraine "On Delimitation of Powers Between the Bodies of Government of Ukraine and the Republic of Crimea," on the basis of Article 4, Paragraph 2 of the Constitution of the Republic of Crimea. These acts are

not to be enforced on the territory of Crimea. The decree compels all officials of the Republic of Crimea to be guided by the acts of Crimean authorities issued within their competence, within the limits of the legal space in effect in Crimea.

The deputies undertook to examine the question of the Ministry of Internal Affairs of Crimea. A. Melnikov, deputy chairman of the Supreme Council of Crimea, reported to the meeting and answered questions. A decree to that effect was adopted today. The session is continuing its proceedings.

**Provisional Statute of TV, Radio Broadcast Council**  
*944K1541A Kiev HOLOS UKRAYINY in Ukrainian*  
*16 Jun 94 p 6*

[Text]

1. The National Television and Radio Broadcasting Council (NTRBC) is an official extra-departmental body reporting to the Ukrainian Parliament.

The NTRBC is charged with implementing state policy, enforcing Ukrainian laws, and exercising oversight in the area of TV and radio broadcasting.

2. The NTRBC is guided by the Ukrainian constitution and laws, parliamentary resolutions, presidential orders and directives, cabinet decisions, and other Ukrainian legal acts, international agreements, and this provisional statute.

3. The primary objectives of NTRBC are:

State policy implementation and development of a national telecommunication system in Ukraine;

Enforcement of laws applicable to telecommunication organizations;

Advocacy and protection of TV and radio customer rights, protection of national interests, and dissemination of cultural values.

4. In accordance with its mandate, the NTRBC will:

Coordinate and participate in the development of a unified telecommunication system in Ukraine;

Monitor frequency utilization;

Issue competitive licenses and allocate frequencies, channels and times for telecommunication, and monitor performance;

Maintain a state registry and create a databank of telecommunication organizations in Ukraine;

Ensure that telecommunication organization operate within the law and licensing agreements; enforce applicable Ukrainian laws, issues warning, fines, suspensions and terminations when warranted;

Monitor annual reports of telecommunication organizations;

Assign and monitors satellite usage;

Oversee foreign investments;

Oversee formation and storage of provisional telecommunication archives;

Participate in the establishment of international telecommunication accords on behalf of Ukraine and monitors adherence to such agreements;

Ensure consistency in law enforcement, proposes improvements, and refers changes to appropriate government institutions;

Submit a publicized annual report to the Ukrainian parliament;

Serve as a legal consultant to attorneys and private citizens within its scope of competence.

5. In order to meet its mandate, NTRBC has a right to:

Seek necessary information, documents and materials from central and regional government authorities and telecommunication organizations;

Form task forces and expert groups from NTRBC members and outside domestic and foreign experts;

6. The NTRBC will work with central and regional government authorities as well as appropriate foreign institutions to fulfill its mission.

7. The NTRBC will be directed by a head and three deputy heads.

NTRBC will elect the head and the three deputy heads from among its members by a simple majority.

The head of NTRBC will assign duties to his assistants and direct the organization subunits.

The head of NTRBC is personally responsible for the successful completion of NTRBC mission and assigns responsibilities to his assistant and administrative chiefs.

The head of NTRBC and his appointees hold professional appointments, while members of the NTRBC hold civil appointments.

8. The work of NTRBC is carried out at meetings held at least once a month.

The meetings will deal with the following issues:

Proposed laws and other legal acts submitted to the parliament, the president and the cabinet;

Approval of the annual report of the NTRBC;

Approval of licenses for use of telecommunication channels and their duration;

Issuance of warnings, fines, temporary suspensions, termination of licenses, and determination of prerequisites for licenses;

Planning the work of NTRBC;

Confirmation of NTRBC staff and structural organization.

Ad hoc meetings may be called by the head or by at least two members of the NTRBC.

A quorum is present if at least two thirds of the NTRBC membership is present at a meeting.

Binding decisions are made by a simple majority vote.

9. Within the scope of its mandate, the NTRBC will make and enforce decisions within the framework of Ukrainian law.

As needed, the NTRBC will issue joint acts with central and local government authorities.

Decisions of the NTRBC falling within its mandate are binding on central and local executive government authorities, enterprises, institutions, organizations and citizens.

10. The Cabinet of Ministers of Ukraine sets the budget and salaries of the central administrative office of the NTRBC.

The structural organization of the central administrative office of the NTRBC is subject to approval by the Deputy Prime Minister.

11. The NTRBC is a legal entity with its own budget and bank accounts, a logo with the State Seal of Ukraine, and its own name.

#### Security Service Departs 'Nuclear Terrorist'

944K15559A Kiev DEMOKRATYCHNA UKRAYINA in Ukrainian 16 Jun 94 p 6

[Article by Hryhorii Vasylo: "A Clinical Case or a Joke: How a Swedish 'Nuclear Terrorist' Was Deported from Ukraine and His Fate"]

[Text]As previously reported by this paper, on April 15 a Swedish plane took off from Kyiv with a calm and penniless man who could not afford a plane ticket and left his hotel bill unpaid. A half hour earlier he had learned that his foolproof plans had failed. He was escorted to the plane by agents of the Ukrainian Security Service (USS). All of Ukraine heaved a sigh of relief on being rid of the first 'nuclear terrorist'. A few hours later his plane landed in Copenhagen.

Erik Olaf Estenson, a 32 year old Swede, came to Ukraine with a scheme he was sure could not fail. He professed a degree of sympathy for Ukraine matched in intensity only by his aversion to Sweden. His plans were to secure nuclear warheads from Ukraine while offering his relatives and wife as hostages.

The USS learned about all this after he landed in Kyiv. His plans called for getting four 20 to 30 megaton nuclear warhead from missiles that are being dismantled, taking them to Copenhagen, and assembling a nuclear bomb. The next step was to blackmail the Swedish government and royal family into swearing loyalty to him and giving Ukraine two billion dollars for development. According to some specialists, this is a scenario that potential nuclear terrorists find particularly attractive.

When contacted, Swedish authorities disclosed that he had a criminal past. Since no actual crime had been committed he could not be charged with a crime nor subjected to psychological testing under the Ukrainian Criminal Codex. In agreement with the Swedish embassy, he was deported by the USS for intent to commit international nuclear terrorism.

Was it mental illness, a joke, or a provocation? There is unfortunately a perception in the world that if you received an unseemly offer you did something to encourage it.

Are there any new developments in the Estenson case?

The USS informed us that several versions of this affair exist. It is possible that a third party had attempted to discredit Ukraine at a time when Ukraine is conscientiously adhering to nuclear disarmament agreements, or it may have been sheer insanity.

The Swedish embassy reported that Estenson was arrested in Copenhagen by the Danes at Swedish request and then taken to Stockholm. The Swedish police seem to be well acquainted with him and has been investigating him for some time.

The USS noted that Swedish authorities—for some reason—have not requested any information or assistance from their Ukrainian colleagues. Nevertheless, the USS wants it made a matter of record that they handled the case expeditiously and thereby underscored their commitment to international nonproliferation agreements.

The USS has documentary evidence confirming the seriousness of Estenson's attempt at blackmail of the Swedish government and his hope of establishing himself as a dictator in Sweden, and is willing to work with the Swedes to bring all of the facts to light.

## ECONOMIC AFFAIRS

#### Obstacles to Utilization of Indigenous Gas

944K1707A Donetsk VECHERNIY DONETSK in Russian 8 Jul 94 p 1

[Report by UKRINFORM correspondent N. Stolyarov: "Ukraine: Three Hundred Gas Deposits"]

[Text] There is no doubt in the specialists' minds regarding an answer to the question being asked in the press—whether Ukraine may become a second Urengoy. It turns out that the country, which still buys gas from its neighbors, can easily get rid of this dependence. Three hundred gas deposits have been discovered on its territory.

There is, however, sometimes quite a distance from prospecting to production. Of course, far from all deposits may be utilized right away in full volume. This is a complex undertaking requiring considerable effort, but here is what is interesting. In the opinion of Anatoliy Zanin, head of the Uralmash-Liman Ukrainian-Russian enterprise started in Donbass, 110 deposits are already ready to some or other extent for industrial utilization. The annual production from 110 wells may amount to 120 billion cubic meters of gas a year! Essentially, this covers the entire national need for natural fuel. Donbass in particular needs it—it consumes 25-30 percent of the all-Ukrainian supply.

Everything that has been prospected is at shallow depths—between 2 and 3 km. This considerably simplifies gas production. By the way, the Tyumen gas layer is at the same depth. In America, gas is recovered from a depth of 4-6 km.

It would seem that all conditions are in place: There are reserves, and there are specialists. There is demand. But here is the paradox. Ukrainian specialists work anywhere except at home; excellent specialists essentially sell out for hire. Also, gas extraction equipment is manufactured in Russia, Azerbaijan, and Turkmenistan. They are gas producers. Having acquired independence, Ukraine found itself without the necessary equipment. However, Donbass helped the gas industry a lot by setting up a number of important manufacturing facilities. It can produce equipment for gas extraction. After all, it is home to the famous Novokramatorsk Machine-Building Plant [NKMZ]. Its collective "can do anything." Unfortunately, the State Committee on Oil and Gas has not been able for a long time to produce an intelligent answer as to exactly which drilling systems are needed, and who and how will finance their production.

The SP [joint venture] Uralmash-Liman already has done a lot, from documentation to tentative specifications. At their own expense they traveled to Germany, where they intensively studied the German experience. What is left is to sign the necessary papers, "settle" a number of issues, and find effective solutions for the most difficult ones. For instance, the NKMZ could for now produce drilling systems and sell them to Tatarstan. Some of the systems produced would remain at home to meet own needs. Thus, the business would gain momentum. By the way, both America and Saudi Arabia, as well as other countries, would gladly buy such equipment.

The question of setting up a joint-stock society for gas extraction is already being seriously and interestedly studied. There are people in the region who can undertake the implementation of the idea; there are experienced and energetic people ready to help the country. But the state in turn must set up a special program for gas production.

#### **National Fuel, Gas Stock Holding Company Formed**

934K13574 Kiev URYADOVYY KURYER in Ukrainian  
28 May 94 p 5

[Article by Inna Kovaliv: "Oil, Gas and Holding"]

[Text] It has been announced that a national stock holding company, "Ukrnaftohaz", is to be formed by June 1 of this year by order of the President of Ukraine. In addition, Yevhen Sukhin, the CEO of "Ukrnaftohaz" and first deputy chief of the State Oil and Gas Committee, informed the Ukrainian and foreign press about the formation of the National Stock Holding Company of Ukraine (NSHCU). NSHCU will deal in oil and gas enterprises that have been targeted for incorporation and privatization. These include "Ukrhazprom", "Ukrnafta", "Ukrzakordonnaftohazbud" and a number of other enterprises.

The primary goal of NSHCU is to secure investments to promote rapid reorganization and to cover foreign energy debts. Payments will be in the form of shares rather than tangible goods as proposed by some foreign suppliers.

#### **Poltava Presidential Representative on Region's Economic Condition**

934K1495A Kiev DEMOKRATYCHNA UKRAYINA  
in Ukrainian 2 Jun 94 p 1

[Interview with Mykola Ivanovych Zaludyak, presidential representative for Poltava Region: "Human Patience Has Its Limits"]

[Text] During an interview conducted by DEMOKRATYCHNA UKRAYINA, Zaludyak covered (1) economic potential and crisis management, (2) political, economic and social priorities, and (3) prospects for improving living standards and development of market economy in the Poltava region.

1. The Poltava region ranks eleventh in Ukraine in terms of population, seventh in territory, and among the top five in economic potential.

The region accounts for more than 5 percent of Ukraine's industrial and almost 6 percent of its agricultural production. In addition, we hold a monopoly on truck production and diamond-based instruments, and produce a large share of the country's freight cars, electric motors and fluorescent lamps. Confirmed oil and 'gaseous condensate' reserves here approach almost a third and natural gas almost 50 percent of Ukraine's reserves.

Agriculture in the region is noted for its production of grain, sugar, beef, pork and milk. Gross production per capita is 1.5-fold greater than for the country as a whole. In addition, the region is the only area with a positive balance of trade.

Even this level represents only 60 percent of the possible maximum production and agricultural problems remain serious.

Accordingly, a national effort must be made to stimulate the economy via entrepreneurship and privatization, legislate business taxes, and reassess debt financing.

The Poltava regional government has developed and implemented policies for economic development and industrial restructuring to meet consumer demands within the framework of a market economy. Programs are also in place for efficient utilization of our raw resources and energy supplies.

These factors underlie the fact that field work, milk production and weight gain by beef cattle are markedly higher this year than last.

The economic stabilization fund that has been created by the local government—and funded by a 4 percent tax levied on industrial production—has arrested the decline in production, which had been less pronounced than in the rest of Ukraine to begin with. This fund has also facilitated barter with adjacent regions of Russia. It is also interesting to note that in April production in the Poltava region improved by 19.6 percent over March.

At this time we are in favor of resumption of economic ties with the former Soviet republics since, for the time being, they are the only markets we can find.

2. The most important political matter that I see is the new Ukrainian constitution, which will determine the political nature of our country. The constitutional project should benefit from the widest deliberations possible. I see the future of Ukraine as a parliamentary-presidential republic with a multiparty system, the president as chief of state, and a state build on the 'unitary principle.'

There should be a balance and sharing of powers and responsibilities between the central and local governments—in favor of the latter—for efficient regional socio-economic development. Local governments should enjoy wide latitude in formulating financial policies and setting economic priorities.

I see a mixed-type economy in the future. This includes state management and economic control of the new state sector, and free-market institutions operating on behalf of the owners and the society as a whole.

Fundamental economic restructuring, needed to accommodate free market conditions, must be one of our highest priorities at the national and local levels.

In addition, the Poltava regional government has created a special fund to manage social security. Last year the fund had an income of 20 billion karbovantsi, which was used to subsidize food prices, cover deficits at school cafeterias, preschool lunch programs, as well as for funding rest camps for students, organizations for teenagers, and other social programs.

Price controls were enforced to maintain low prices on meat, dairy, and bakery products, consumer products intended for children, and so forth. Even today, milk, meat and butter are less expensive here than elsewhere in Ukraine.

3. One cannot tolerate the fact that all of the laws, directives, programs and projects have not been able to reverse stagnation and falling production. That privatization and termination of monopolies are proceeding so slowly!

We have been accused of building capitalism. Nothing of the kind! It simply is the case that we continue to live in a system with state-controlled monopolistic capitalism—how else would one characterize a system where the state owns 80 percent of the means of production?

We continue to strive for socioeconomic stabilization and reforms that would improve our living standards.

Transition to a market economy is a slow process, which cannot be attained without privatization and elimination of state monopolies. Competitive markets and positive shifts in the economy are absolute prerequisites for improving the standard of living.

The Poltava region is rich not only in its chernozem, but also in its people who are wise, sincere, industrious and patient. My cup will overflow if I can do something to ease their burdens at this difficult time of contradictions and uncertainty.

### **Animal Products Production Down From 1993 Levels**

934K1495A Kiev DEMOKRATYCHNA UKRAYINA in Ukrainian 2 Jun 94 p 2

[Article by Mykola Petrushenko: "A Microcommentary on Ministry of Statistics Report"]

[Text] The Ministry of Statistics reported that in the first quarter meat production by collective, private and state farms was almost a third lower than last year. Egg production fell by 21%, milk remained level, while cattle and poultry production decreased by 11%.

This situation has arisen because the prices offered by the government for agricultural products do not cover costs of production. Although a kilogram of broilers may cost 50 to 60,000 karbovantsi to produce, the state will only pay 17 to 20,000. Offers for eggs are several thousand short of the 18-19,000 karbovantsi that it costs to produce ten eggs. For a liter of milk the discrepancy comes to a thousand karbovantsi or more, and so on down the line.

Consumption is further weakened by low earnings which prevent people from buying bare essentials such as meat, milk and butter in private markets and stores. Because of the overstocked stores, food processors have decreased their purchases leading to further depression of production.

Government policy appears to be to force the farmers to produce only enough meat and milk for their own needs and for barter purposes.

Today, more and more villagers and residents of small towns are providing only for themselves. High costs of transportation precludes taking excess foodstuffs to the market or to collective farms, and milk is now commonly fed to pigs.

One overheard complaint from a farm wife was that their cow was giving so much milk that they would have to buy another piglet in order not to waste it.

Could it be that the current situation reflects some machinations to wreck farm production and open up the Ukrainian market to foreign farm products? Statisticians seem strangely silent on this point.

### **Commission Formed to Facilitate Creation of Free Economic Zones**

934K1557C Kiev URYADOVYY KURYER in Ukrainian 14 Jun 94 p 3

[Press release by Ukrinform, press service of the president and cabinet of ministers of Ukraine]

[Text] The Cabinet of Ministers has approved the creation of an interdepartmental Commission for Special (Free) Economic Zones. The commission is constituted as a permanent office of the Cabinet of Ministers, and is charged with documentation, planning, oversight and management of the approval and implementation process for free economic zones in Ukraine. Workflow and priorities have been defined for processing proposals submitted by regional councils and government authorities. The time limit for completion of entire review process—from submission to



and consideration by the Cabinet of Ministers to referral to the parliament—has been set at sixty days.

**Labor Ministry Reports 1994 Employment Statistics**  
934K1557B Kiev URYADOVYY KURYER in Ukrainian  
14 Jun 94 p 3

[Text] The Labor Ministry has reported that in 1994 the State Employment Fund (SEF) spent 1501054.4 million karbovantsi (krb) on public works.

The report also stated that there were cases where organizations and businesses request wage subsidies from local employment centers for employees who participate in public service work, which is contrary to employment laws and regulations.

The Lviv and Prydniprovsk railway, having secured such subsidies, announced their readiness to finance 495 and 1416 workers, respectively, in such projects for a year.

In 1993 959.6 million krb was spent on public works, with 44.3 million krb coming from local budgets, 53.1 million krb from SEF, 776.7 million krb from the business sector, and 80.5 million krb from other sources.

In the first quarter of 1994 these expenditures came to 986.7 million krb, of which 87.5 million krb was provided by local authorities, 22.1 million krb by SEF, 731.8 million krb by businesses and 145.4 million krb by other sources.

Public information efforts by the local and state employment offices, as mandated by the National Program for Regional Public Works, led to 3061 agreements with the business sector and organizations for the creation of 4436 temporary work projects. This is 1241 agreements and 16,000 projects more than in the correspond timeframe last year. Moreover, there is greater use of individuals (459) who are de-facto unemployed—individuals on leave without pay or on daily or weekly part-time schedules—in addition to the unemployed (1469) and women (2157).

The most active oblasts are Vinnitsya, Luhansk, Kirovohrad, Mykolayiv, Odessa, and Khmelnytsky, providing temporary employment for 207 to 608 workers.

In the January to March timeframe these oblasts and the city of Kiev provided employment for 2352 individuals, or for 60.2% of the total number participating.

In all of Ukraine staffing on such projects presently comes to 8.8% versus 21.8% in 1993.

The greatest demand is for assignments to the agricultural sector (768), industry (426), food trade and service industry (498), as well in state economic administrative offices, cooperative administrations, and social organizations (537).

**Decrease in Foodstuffs Exports Viewed**

934K1557A Kiev URYADOVYY KURYER in Ukrainian  
14 Jun 94 p 6

[Article by Oleksandr Shevchuk, chief, APK [expansion unknown] Statistics Administration, Ministry of Statistics, Ukraine: "Not Buying and Selling, But Importing and Exporting"]

[Text] For a long time the percentage of Ukrainian national income due to food exports was equivalent to agricultural production in the national economy. Things began to change for the worse in 1991; in 1992 exports fell two-fold and accounted for less than 10 percent of the national income.

The decline in exports was not due solely to falling production. Despite a constant level of production the past two years, exports still fell by a third in 1993—with the exception of sugar—from the previous year.

Imports have been similarly affected by changes in the economy. In 1989 the value of food imports was equivalent to 22.5 percent of the gross national income, falling to 5.8 percent in 1992.

It should be noted that minimal losses can also be attributed to the ending of state monopoly on exports, open borders, lack of oversight over production, and entrepreneurs and profiteers who often barter foodstuffs in the 'near abroad' countries without declaring them as exports and paying export duties.

Last years the import-export balance was as follows:

	Exports	Imports
Grain, tons	160942	1942697
Vegetable oil, tons	92721	234
Sugar, tons	914412	8565
Potatoes, tons	8175	1698
Vegetables, tons	28607	19293
Canned vegetables, *	96825	4355
Fruits & berries, tons	20886	19475
Canned fruits, *	116054	8677
Wine, **	341622	61659
Meat & Meat products, tons	99420	751
Milk & Dairy products, tons	458964	113211
Eggs & Egg products, X1000	174964	6137
Animal fats, tons	18410	5086
Fish & Fish products, tons	17859	22363
Canned fish, *	5036	12711

Note: \* = tub (?) \*\* = dal (?)

It is evident that grain imports now significantly exceed exports and exports of meat, meat products and sugar have fallen sharply, despite the fact that last year was very favorable for agriculture, particularly crops.

Imports of fodder grain was predicated on the failure of the state to purchase adequate quantities of this commodity in 1992 from growers to use in production of mixed feed. Such a situation cannot be tolerated and reflected poor planning by government authorities. In 1993 sufficient quantities of

grain were acquired by the state and the embarrassment of having to import feed averted.

Exports of other agricultural products and foodstuffs exceeded imports in 1993, although the ingress of some commodities that were traditionally exported were significant. Still, while there is a demand for citrus and other subtropical fruits, it is hard to justify imports of sugar and vegetable oil at prices that are the same as domestic prices. While some sugar went to consumers, there is no particular demand for animal fats, as indicated by unsold stocks at state and cooperative warehouses. Largest amounts of unsold animal fats are located in the Donetsk-Dnieper region, Odessa Oblast, and Crimea. Wholesalers and dairies were also overstocked. Last year more than five tons of animal fats were imported, equivalent to almost a third of Ukrainian exports.

Taking inflation into account, imports of fish and fish products increased 10 percent annually from 1991, although Ukraine has three specialized organizations within the agricultural industrial complex dedicated to meeting consumer needs in fish and fish products. Unfortunately, the fish harvested from the world's oceans by ships of the State Fisheries Industry Authority and in part the Ukrainian Collective Fishing Association are as far away the fleet itself. Ukrainian Fisheries Collective, charged with harvesting freshwater fish from inland waters, can provide fish only on a seasonal basis.

Although there many opinions on the subject and some of them may be valid, the fact remains that fish consumption in Ukraine has decreased two-fold last year and currently stands at 2.3 kilogram per capita, while the minimal physiological norm in Ukraine has been set at 14 kilograms annually.

Furthermore, almost all the exports (95 percent) and most of the imports (58 percent) are with the former Soviet states.

As before, Russia remains the primary customer for our food and agricultural products and accounts for 75 percent of the exports, with 20 percent going to the other former Soviet states. The major Russian purchases were sugar (2793 billion karbovantsi (krb); 768 tons), meat and meat products (430 billion krb; 92,100 tons), milk and dairy products (199 billion krb; 424,400 tons), animal facts (125 billion krb; 17,300 tons), vegetable oils (81 billion krb; 75,800 tons), and canned vegetables (47 billion krb) and fruits (36 billion krb).

Fish and fish products account for 75 percent of the imports from Russia, coming to 51 billion krb. This aspect of foreign trade is in Ukraine's favor.

Trade with the other former Soviet states is insignificant. Exports to Belarus amount to 2 percent (largely sugar, grain, and canned fruits and vegetables), Uzbekistan 3 percent (mostly sugar), and Azerbaijan 10—percent (milk, dairy products, sugar). Other countries buy canned fruits and vegetables (Germany, Hungary), eggs and egg products (Poland, Germany, Bulgaria), fresh vegetables (Poland), and vegetable oils (Austria, Poland).

Fish and various fish products account for most of the foodstuffs obtained from the former Soviet states, mostly Russia. Estonia was second in 1993 with animals fats and fish products, followed by Georgia with tea and citrus fruits, and then Moldova (fresh vegetables and fruits, wines). With the latter three countries the balance of trade is negative.

While most food exports go to the former Soviet states, 42 percent of the imported goods—mostly grain—come from the West. Last year again the major suppliers have been the US, Canada, Hungary and France.

In part, the limited extent of trade with the West is due to organizational discrepancies in which we cannot fill all orders for our goods at a given point in time. For example, we lack bar code technology and appropriate packaging. It is something that should be addressed by those concerned with these matters.

## MOLDOVA

### Dniester Region Accused of Violating 1992 Pact

944F0913A Moscow NEZAVISIMAYA GAZETA  
in Russian 2 Jul 94 p 3

[Article by Natalya Prikhodko: "Army Units of the Dniester Region Committed to the Security Zone: This Is What Chisinau Declares, Tiraspol Does Not Confirm It"]

[Text] The Dniester side is violating the terms specified by the Moscow agreement of 21 July 1992 on a peaceful settlement of the conflict. This was stated in the local media by Viktor Katan, cochairman of the Joint Control Commission (OKK) of the peacekeeping force from Moldova and deputy minister of foreign affairs of the Republic of Moldova, following the latest session of the OKK in Bendery.

As Viktor Katan told your NEZAVISIMAYA GAZETA correspondent, Tiraspol has in defiance of the mutual accords committed its army units to the security zone. This has happened in Dubossary, Slobodzeyia, and Bendery. In the place of the withdrawn Russian missile brigade, the Second Motorized Brigade of the PMR [Dniester Moldavian Republic] has now taken up positions at Bendery Fortress, against which the Moldavian side has protested repeatedly, demanding that an inspection team of the peacekeeping force be sent to the fortress. But this is being actively resisted by Tiraspol, and the Russian side has remained passive thus far, Viktor Katan stated.

In his opinion, the announcement in the Dniester region of a state of emergency, as a result of which citizens of Moldova are being subjected to humiliating inspections and unjustified detention, is contrary to the accords that were achieved as well. Viktor Katan also believes that the fight against crime that has been proclaimed in Tiraspol could be more successful were the plans for the joint cooperation of the internal affairs authorities of Tiraspol and Chisinau, which was specified in the statement of intent signed at the time of the meeting of Mircea Snegur and Igor Smirnov on 28 April of this year, to be realized. But the attempts of the leadership of the Ministry of Internal Affairs of the Republic of Moldova to enlist its colleagues from across the Dniester in the elaboration of a mechanism providing for such cooperation in practice have proven unsuccessful. Nor has there been any progress in the building of bridges across the Dniester, in spite, once again, of the mutual agreements.

All this testifies that the Dniester side, while paying lip service to a settlement of the conflict and the development of cooperation, is in fact attempting to drag out the process.

And for this reason Viktor Katan deemed urgent a new meeting of the Russian and Moldavian presidents. After all, the agreement that they signed on 21 July 1992, which is of a military-political nature, was fulfilled back in September of that same year—the **military** confrontation was terminated at that time. It has long been time to switch to the second stage of a settlement, to which, of course, Russia could contribute by acting as the guarantor of peace and stability in the region, Viktor Katan concluded.

Welcoming the idea of another meeting of the Russian and Moldavian presidents in the presence of a third—Igor Smirnov—Vladimir Bodnar, cochairman of the Joint Control Commission from the unrecognized PMR and deputy chairman of the PMR Supreme Soviet, termed a direct meeting of the Moldavian and Dniester leaders urgent also. After all, they agreed on 28 April that the accumulated problems impeding the establishment of contacts between the right and left banks of the Dniester would be resolved in negotiations between the top persons. For instance, the question of the mutual allocation of swing credit (for mutual settlements between enterprises) was agreed verbally at that time, on 28 April. But without its practical coordination the mutual settlements of the enterprises are, as before, complicated, as is the activity of the Clearing Center of the National Bank of Moldova that has already opened in Tiraspol. Economic problems require general constant attention in the present critical period. The state of emergency that has been declared is not of a military but, rather, of an economic nature and has been brought about by the actual need to step up the fight against crime, Vladimir Bodnar specified. As far as the above-mentioned bridges are concerned, they could consolidate relations, of course. Tiraspol supports their construction, but only after the Dniester conflict has been settled. Vladimir Bodnar called the issue of the presence of military units contrived, mentioning that he personally had no documented confirmation of the presence of a motorized brigade of the PMR at the Bendery Fortress. According to the cochairman of the OKK, his colleague from Chisinau is unduly dramatizing the situation.

The report on Viktor Katan's statement came as news to Yuriy Bychkov, cochairman of the OKK from the Russian Federation, also. "But if Moldova has some complaints, we will necessarily study them. Our job is to contribute to the parties' normal dialogue," Yuriy Bychkov explained. He recalled that it had been affirmed in a report of the Joint Military Command of the peacekeeping force at the last session of the OKK that the situation in the security zone was controllable and manageable.

## KAZAKHSTAN

**Baykonur, Leninsk Difficulties Evaluated**

944K1677A *Almaty KAZAKHSTANSKAYA PRAVDA*  
in Russian 5 Jul 94 p 1

[Article by KAZAKHSTANSKAYA PRAVDA correspondent Vladimir Li: "The Road to Space for Russia and Kazakhstan Begins At Baykonur"]

[Text] There were many firsts in this spacecraft launch. For the first time, there were no Russians among the space crew. Flight commander Yuriy Malenchenko was born in Ukraine, and flight engineer Talgat Musabayev—in Kazakhstan. For both, it was the first space flight. For the first time over the past years, there was no press conference two days before the launch. Although afterwards, at the astronauts' press conference, heads of civilian, military, and space services answered journalists' questions. One may also count among the firsts the rain, which suddenly poured a day before the launch. And finally, for the first time the city of Leninsk's central hotel did not have water. Visitors on business here were washing themselves with mineral water at 19 tenge per bottle. Hygiene is expensive in Leninsk. As to everything else, we had better forget the word "first."

With the same power and indescribable roar as its predecessors, on the evening of 1 July the Soyuz TM-19 spacecraft was launched, carrying the crew of the 16th main expedition to the Mir orbital scientific-research complex. The new crew is to replace at the complex astronauts Viktor Afanasyev and Yuriy Usachev, who will return to Earth on 9 July. The third crew member, physician Valeriy Polyakov, will continue working at the complex with Yuriy Malenchenko and Talgat Musabayev. There is a lot of scientific and technical work ahead for the new crew. They will conduct a number of experiments in the area of crystallography, and measure the effect of vacuum on various materials. They will continue astrophysical and biotechnical research. Several space walks are planned. In addition to research work, the astronauts will have to engage in a bit of sewing. They will have to do some repairs on the internal skin of the orbital craft.

Another thing that is special about this space expedition is that the astronauts, and first and foremost T. Musabayev, will also be working on the program developed by the National Academy of Sciences [NAN] of the Republic of Kazakhstan. The Kazakhstan program, developed under the leadership of Academician Umirzak Sultangazin, director of the Republic of Kazakhstan NAN's Space Research Institute, includes five components. These are biotechnical, medical-biological, and technical instruments, natural resource monitoring of Kazakhstan's territory, and astro- and geophysical research. For instance, one of the experiments is designed to help Kazakh scientists to develop a methodology for using the data from remote space probing to develop a long-term forecast of settlement patterns on the territory around the Aral Sea.

Talgat Musabayev will conduct a series of experiments in the area of space materials science. He will research the mechanism of degradation of polymer materials and find

the way to stabilize them. In short, Talgat is in for four months of complex and important work, which is acutely needed by scientists and the national economy.

A no less important event than the launch of the spacecraft was the visit to the space launch center of Republic of Kazakhstan President N. Nazarbayev and his spouse. Everyone was waiting for this visit—the military, Leninsk residents, and of course journalists. After the signing of the agreement with Russia on leasing the Baykonur complex, the problems did not diminish. It is clear that the city will be leased to Russia, together with the space launch center. Details are important, however. Clarity and certainty are also needed with respect to the city authority. Who is to be in charge today, do the repairs—the local administration or the military authorities? The agreement needs rapid ratification in the republic parliament. It is assumed that the Russian parliament will do this at the earliest by the middle of July. It appears that our parliament will not get to the agreement earlier than that either. Meanwhile, because of lack of financing, city municipal services, which are on a verge of breakdown, are not being repaired.

Last winter was a horrible trial for the city. To keep from freezing, people were installing wood-burning stoves in apartments. So the "bourgeois life" in Leninsk begins with wood-burning stoves. For many residents, however, that winter was the last trial. They decided not to tempt fate anymore, abandoned their apartments, and moved to other parts. The first Kazakh astronaut, T. Aubakirov, put it very succinctly: He said that we finally need to dot all the i's: If we decided to go ahead with the transfer, it has to be done faster and in full. The longer we drag it out, the more difficult it will be for the space center and the city to survive. Having transferred the Baykonur complex, Kazakhstan must participate in scientific space programs as an equal. It is hard to disagree with the astronaut.

It looks, however, that even when the entire Baykonur complex is transferred, the number of acute problems will not diminish by much. Answering a journalist's question, the space launch center chief, Lieutenant General A. Shumilin, said that the size of military units at the space center is expected to be cut by 16,500 servicemen. This also means "freezing" the facilities and laying off civilian personnel. And since there are not too many jobs in Leninsk, we may assume that not only families of the military servicemen but many civilian specialists as well will leave city. I asked the space center chief a question: Will not a massive withdrawal of troops kill the city? Last year, there were about 2,000 vacant apartments. If 60 percent of the entire military contingent leave, the result will be that as a minimum one-third of the apartments in the city will be vacant.

The space center chief agreed that reductions will result in serious difficulties. He does not think, however, that the city will die. It is assumed that residents of semi-vacant buildings will be moved to different apartments for a more compact habitation. Let the buildings sit "in cold storage." The Leninsk experience suggests something different, however. Currently the vacant apartments have been completely

pillaged. Neither the military authorities nor the city administration can keep the pace needed to secure apartments of the people leaving town.

Last year the city administration spent half a year searching for space to accommodate the KAZAKHSTANSKAYA PRAVDA bureau, and finally proposed an apartment without windows, doors, heating radiators, plumbing fixtures, and floors. But since a newspaper bureau is not a PMK [mobile mechanized construction unit] and cannot rebuild an apartment, we had to politely decline the offer. "Freezing" apartments in Leninsk in practical terms means they are gone for good....

Enough about problems, however. Both for Kazakhstan and for Russia, the new launch of a spacecraft was a great victory. As Yu. Semenov, NPO [scientific-industrial association] Energiya chief designer, remarked, this launch was carried out on pure enthusiasm. It is a victory won by people—the military, designers, and scientists, including Kazakhstan's scientists, whose space program, in experts' opinion, is on the level of world standards. But it was also a celebration for Kazakhstan citizens, which was especially felt in Leninsk, where the delegation from the Supreme Council and the government came to see astronauts off. One space crew member is a citizen of our republic—T. Musabayev. He had been a backup twice: first for Tokhtar Aubakirov and then for the Soyuz TM-18 crew. This time it was his turn to fly....

President Nursultan Nazarbayev and Russia's deputy prime minister Oleg Soskovets, who arrived for the launch, arrived at Baykonur on the launch day. They visited the astronauts as the latter were putting on their space suits, accepted the astronauts' report, wished them luck in the launch and a happy return to Earth, and then withdrew for a conference. Later, after the spacecraft launch, N. Nazarbayev and O. Soskovets, both in a good mood, answered journalists' questions, which all revolved around one issue: the fate of the Baykonur complex.

Answering the questions, President N. Nazarbayev said that the space center will not become a bone of contention. The wisdom of politicians in our difficult times is in bringing nations, states, and people together, not separating them. I am convinced, said N. Nazarbayev, that B. Yeltsin and I did the right thing when we signed on 28 March the agreement transferring into a lease the Baykonur center's scientific-technical complex. The idea of the agreement was precisely joint utilization. Today we were present at the implementation of this agreement....

Astronauts Yuriy Malenchenko and Talgat Musabayev will conduct a months-long important flight using an extensive program. They are brave men. These heroes carry out the same task. I want, said the president, for Russia and Kazakhstan—and us, Kazakhs and Russians—to always be together. This is in accord with the expectations of our peoples. I am convinced of that. It is in accord with strategic tasks of our states.

Among other issues discussed at the meeting between N. Nazarbayev and O. Soskovets were the problems of Leninsk. As N. Nazarbayev pointed out, they were easy to

discuss, since the principal solutions to these issues are a part of the agreement signed by the presidents on 28 March. The document signed by N. Nazarbayev and O. Soskovets on the launch day apparently will be made public later.

### Deputy Vasilyeva on Controversial Views

944K1666A Almaty KAZ. IZV. in Russian 1 Jul 94 p 16

[Interview with Stella Georgiyevna Vasilyeva, deputy in the Kazakhstan Supreme Council, by Tatyana Katelkina; date and place not given: "Stella Vasilyeva: 'I Have Been Receiving Messages Recommending That I Get Out of Kazakhstan'"]

[Text] Some people find Stella Georgiyevna Vasilyeva offensive. She is not much liked by the authorities, if we might put it that way, but she is esteemed by the people—the people of Ust-Kamenogorsk elected her their deputy to the republic's Supreme Council. The labels 'extremist' and 'chauvinist' are not the most derogatory in the collection of black colors in which her opponents paint her. A physician by profession, she graduated from the Kishinev State Medical Institute. She was dismissed from her last place of employment—as chief physician of a blood transfusion station—under Article 248—repeated flagrant violation of official duties. Judicial examination of her suit for reinstatement has not yet been completed.

[Katelkina] Stella Georgiyevna, is that what you are like?

[Vasilyeva] At one point they told me: "You are not a woman, you are a real witch. But in principle a good person. But seriously, I simply have my own views, and I am not afraid to express them. And sometimes I get a bit ahead of the times in saying these things.

[Katelkina] For example?

[Vasilyeva] I was the first to speak out in the press against dividing people into indigenous and nonindigenous nationalities. I spoke about equality, about how this does not square with the Declaration of Human Rights, about how ethnic characteristics are not considered basic in the civilized countries.

From my point of view, dividing people into nationalities, poisoning them against one another, is nothing but a means of taking power.

[Katelkina] Yes, but the Law On Languages....

[Vasilyeva] And I say that the Law on Languages is a law about power, not a means of intensifying development of language. I feel that appropriations should be made from the national budget in proportion to the size of the particular nationality, but let the nationality itself decide what it needs: to set up an institute, a university, dance classes, or to develop handicrafts.... This is the business of the nationality itself, of its level of development, consciousness, and interests.

The Law on Languages is subject to revision anyway; all these matters must be defined in the constitution, which states: All people have equal rights to the development of



language, art, whatever you like. After all, the state must not stimulate the development of any one language; what then about all the others?

[Katelkina] But the reason for the concern about the rebirth of the Kazakh language is that for decades Soviet power strangled it and beat it down....

[Vasilyeva] That is not true. In my time I went to school and studied the Kazakh language. You know, you cannot force a language upon anyone. And when I worked in rural areas, I dealt mainly with the Kazakh population, and I was able to communicate at the everyday level with people in their own language. But not because the government required this of me, but because, you understand, this was something I myself needed. But when I am in an environment where a language is not used, then I simply do not need it. And so I passed the candidate's minimum requirement for English, but what then? I do not use it, and so I do not know it.... Language is necessary for u-s-e.

[Katelkina] And they answer you: If you do not like it, go back to Russia, where you belong.

[Vasilyeva] I came here to develop virgin land in 1955. I have invested my work in this land, in this country. Why is Russia supposed to feed me now? How about the return on my labor? Fine, if that is the way you want it, let the state return to me everything that I invested here. After all, if I went there, they could tell me: You gave the better part of your life to Kazakhstan, and then you come here to receive a pension. And where will I be then?

[Katelkina] Stella Georgiyevna, what in your view is happening in the Supreme Council? As a deputy, do you feel some kind of manipulation of the parliament 'from above'?

[Vasilyeva] Of course. The way questions are raised, the way they attempt to ward them off.... Not include them on the agenda or put them off....

[Katelkina] You do not associate the recent reshuffling of the personnel with the position of the deputies?

[Vasilyeva] I would call that a shuffling of the same old deck of cards.

[Katelkina] You believe there will be no changes?

[Vasilyeva] Yes, I think they will not happen. The entire line of the government must change. They could of course tell us deputies that the program of the new minister is better than the previous one. If of course he has one. But so far they have not given us any explanations. I read the president's address, Tereshchenko's memorandum, and I found nothing new there. I am skeptical, for example, that Tereshchenko is able to change the situation for the better anyway. As I see it, he believes he is not dependent on the people, but only on the president.

And I did not like the president's address to parliament. In particular, what was said about creating an elite.... Dividing people into the elite and the non-elite, he may lose support of ordinary people in the upcoming election.

[Katelkina] What is being divided now is power and money.

[Vasilyeva] I know: There is nothing to be shared with the small private operator here. Now the big sharks are fighting to grab the state pie. Of course the big and fat pieces will go to those with the biggest teeth, those who have least pity, those who have no principles. But to those who have the proper connections. The Chinese said: The elite made itself comfortable and did nothing to move society forward.

[Katelkina] You are making a comparison to our country?

[Vasilyeva] Yes. Although I am possibly too categorical.

[Katelkina] What do you get from your status as a deputy? Do you need it for cover, so that in the end they will leave you in peace, or do you think that you can really do something?

[Vasilyeva] I believe that something needs to be done. I do not like passivity, I cannot stand injustice. As for peace.... I have never been left in peace; after all, I have been receiving messages recommending that I get out of Kazakhstan.

[Katelkina] And what will you do?

[Vasilyeva] What will I do? I will not give them the satisfaction.

### Finance Minister's Budget Comments Viewed

944K1665B Almaty EKSPRESS-K in Russian 1 Jul 94 p 2

[Article by Erik Nurshin: "Our Parliamentary Correspondent, Erik Nurshin, Reports: Budget '94: 'Where Is the Money, Zina?'" ]

[Text] Yesterday the republic's Supreme Council started debate of the draft of the state budget for 1994. Yerkesbay Derbisov, finance minister, presented the report. We are publishing below some excerpts from his speech:

"....On the revenue side this budget has 85.77 billion tenge, on the expenditure side 106,400,000,000 tenge, which means that expenditures exceed revenues by almost 20.7 billion tenge....

"The main source of revenue is taxes.

"....All taxpayers will pay the profit tax at a rate of 30 percent, except banks and insurance institutions, at a rate of 45 percent.

"As for the value added tax.... It is now proposed that only two rates be kept—10 and 20 percent.

"More on excise taxes.... Especially on alcoholic products imported from outside, the rate will be somewhat higher than on similar products produced on the territory of the republic itself....

"On rents.... the approach has now been greatly simplified. The tax will be collected as a percentage of the net income of enterprises.

"More on the income tax. The stratification of society into rich and poor is actually taking place.... Weighing all the reasons 'for' and 'against,' we are proposing that the 'ceiling' be set not at 60, as was the case, but at 40 percent....

"The import tax.... At present it is set down in the budget at 4.6 percent, but we must raise it to 15 percent on the average.

"The land tax. Whereas previously we collected ten percent for the republic budget, in this draft 100 percent is being left to revenues of local budgets.

"And last, non-tax revenues.... These items have increased somewhat. Under the stand-by program there are also amounts coming in under 'critical imports.' This is on the order of 4.883 billion tenge....

"Further, an innovation on the revenue side. For the first time we have decided this year to build up certain stockpiles on the basis of state grain purchases. In the original version we invested on the order of 15 billion tenge, but since a big problem arose with the budget deficit, this amount is being reduced to 8.8 billion tenge.... By its nature, of course, this amount turns over to some extent.

"The rent on Baykonur also concerns the revenue side.... On the one hand, the document has not been ratified, but we make reference to the documents signed by the presidents of Russia and Kazakhstan. On the other hand, you might objectively put the question: 'The amount of \$150 million has been set, but why is it not taken into account in the budget?' That is why we did not enter it in the budget, and so at the average rate it amounts to 4.6 billion tenge.

"But to speak in particular about the revenue side—the budget's relations with the bank. That is, we are supposedly working with the bank under market conditions now. Everything we take from the bank to settle the budget deficit we will pay for at what is said to be the market rate. For example, this budget calls for 2.934 billion tenge to pay off bank loans to cover the budget deficit. On the average, we are taking this loan at 300 percent. Previously we paid 3 percent!

"As for the expenditure side, the main problem is the question of social welfare. You know that today the state of the budget is such that the proposed budget, to be frank, does not suit you nor the government! The budget is not solving any problems. Because it is completely based on a sick and shrinking economy. Of course, in such a budget it is altogether impossible to carry out the many growing social and economic programs...."

So that is that!

The disturbed deputies asked a great number of questions of all kinds, which the finance minister, who was responsible, was not always able to answer. In the end, the parliament rendered its verdict: It would hear Sergey Tereshchenko, prime minister, on budget-related matters, which is essentially provided for in law.

This time the prime minister was quick to respond: He answered the deputies' questions until two in the afternoon.

### Labor Protests Defense Plant Conditions

944K1665A Almaty KAZAKHSTANSKAYA PRAVDA  
in Russian 30 Jun 94 p 1

[Article by Konstantin Kim, KAZAKHSTANSKAYA PRAVDA: "Word of Honor Has Lost Value"]

[Text] The collective of one of the largest enterprises in the oblast—the Kazakkumulyator joint-stock company—has decided to begin a strike in the early days of July and to picket the city and oblast administrations. The workers intend to resort to this extreme measure unless their demands are met as set forth in the petition sent to the local authorities.

An enterprise that at one time was progressive and worked for defense has today found itself in a critical situation. Whereas two or three years ago the primary cause was thought to be the decline of production because of the reduction of military orders and the severing of business ties, mutual nonpayment has now been added to that. This is an especially local problem. The AO [joint-stock company] owes 5.4 million tenge just for electric power. But in late May the power was cut off altogether, so that the shops and boiler rooms were shut down. As of 1 July water was also turned off to the alkaline battery plant, because it has an unpaid water bill of more than 2 million tenge. At the same time, Oblteplokommunenergo and the city of Taldykorgan went into debt almost 18 million tenge for water. The trouble is that more than half of the housing stock, enterprises, and organizations in the oblast center use hot water and heat from its boiler room. You cannot count on the city; this is the second summer the public has had no hot water. There is every reason to believe that the city will freeze this winter. Work in the boiler room to prepare for the heating season came to a halt because there was no money. The AO cannot pay bills for supplies and spare parts. The coal that is arriving is not being unloaded. The enterprise's work force has itself been without work for two months.

As a matter of fact, throughout the entire last heating season, the plant supplied the city and hot water gratis, on the word of honor of the leaders of the local administration. When the time came to settle up, the collective was confronted with the fact that the treasury is empty. The workers responded to this by asking the leaders of the city and oblast the sensible question: Why then are the people who write the budget regularly receiving their salaries, when they themselves are hardly able to make ends meet?

In its petition, the Kazakkumulyator collective demanded that the enterprise be allowed to collect the debt from Oblteplokommunenergo and other debtors unconditionally. That money would be more than enough to pay off the debts to the electric power distributor and the oblast water and sewer department, to pay wages, and to resume operation.

The motor pools of the Taldykorganavtokolik joint-stock company have also been carrying freight on a word of honor—without advance payment. They have worked themselves into a loss. The enterprise's debt amounts to 24 million tenge. More than half of the fleet is idle because of

the grave financial situation. They have nothing with which to buy fuel, lubricants, spare parts, tires. The drivers have not been paid for months.

The truckers were putting great stock in the clearing of delinquent debt conducted by decree of the president of the republic. But in the end they received, as Yermek Yesbatyrov, the company's general manager, put it, 'the hole in the bagel,' although the company is operating in the black. They have more than 18 million tenge on the plus side. But that money is frozen in a special account in a branch of the National Bank. Somehow they managed to free up 4.5 million tenge. That was barely enough to pay part wages to

the drivers. The other 14 million are not being unfrozen. So far, appeals to the oblast administration and the government have not helped.

"In that case, we do not understand why the clearing was done," Ye. Yesbatyrov said in surprise. "Enterprises are still in a vicious circle of nonpayment, just as they were before. We cannot obtain the money we have earned from customers. Which means that we have nothing with which to pay for gasoline, diesel fuel, and lubricants. Neftesnab in turn has nothing with which to obtain fuel. The time is coming when the harvest has to be hauled, a new cycle will start all over again. Again they will force us to work for a word of honor."

## ARMENIA

### USAID To Provide Winter Wheat Shipments

944K1683B Yerevan GOLOS ARMENII in Russian  
7 Jul 94 p 1

[Unattributed report: "We Will Receive American Wheat"]

[Text] Varuzhan Ter-Simonyan, director of the American office of the Armenian Technology Group, informed a NOYAN TAPAN agency correspondent that 3,000 tonnes of winter wheat will be delivered to Armenia over the course of the summer. The financing of this project, costing \$2 million, will be assumed by the United States Agency for International Development (USAID). This amount will be sufficient to satisfy 10 percent of the seed grain Armenia needs for the winter sowing. Five hundred tonnes are designated for reproduction, which will enable 5,400 tonnes of high-quality seed to be obtained. Some 75 percent of the crop obtained from the remaining 2,500 tonnes will be used for food requirements, and the remaining 25 percent will be sown this fall. Seed grain will be distributed only to those regions whose soil and climatic conditions are similar to those where the variety in question has yielded good results in testing.

### Islam Viewed As 'Disadvantageous' for Baku

944K1683A Yerevan GOLOS ARMENII in Russian  
7 Jul 94 p 1

[Report by analysis section of GOLOS ARMENII: "Islam Disadvantageous At Present"]

[Text] The fact that during his latest visit to Iran, Aliyev included Pashazade, the spiritual leader of Transcaucasian Muslims, within the official state delegation, that he visited the mausoleum of the Ayatollah Khomeini in Tehran, and had a personal conversation with the current Leader of the Islamic Revolution Khamene'i, does not in any way indicate that Islamic roots have awakened in his soul or that a hajj to Medina is inevitable in the near future. It is simply that it is advantageous in Iran to look like a zealous Muslim, and Aliyev, as we know, seeks advantage everywhere not just for Azerbaijan, but for himself personally as well. In Turkey, for example, Islamic fundamentalists have not attained the highest positions of power, and Aliyev does not take Pashazade there, does not meet with the mullahs, and does not pray demonstratively in the mosques. Now if the Islamists are victorious in Turkey...

Despite the clearly religious tone imparted to the protocol portion of the visit, this apparently did not bring Aliyev any great success. Hints appearing in the Western mass media as to the possible participation of Iranian troops in peace-making operations in Karabakh were refuted here. Moreover, reports appeared stating that many high-ranking state officials in Iran continue to consider Aliyev a two-faced Janus, never being able to decide which shore on which to land. This is apparently why previously planned trips to cities of northern Iran were removed from the itinerary, such cities being populated, as we know, by people of Azeri nationality.

As far as Islam is concerned, some people in Baku have even begun to get annoyed in this regard. Some consider unhealthy the interest expressed by representatives of the Western countries in Imishlinskiy Rayon, where Iran has built camps for refugees and, naturally, flooded them with mullahs. And they consider the atmosphere of religious ecstasy that reigns there as uncharacteristic of Azerbaijan. Especially since the construction of new mosques, on which Iran allocated tremendous amounts of money even back during the period of Elchibey rule, is proceeding too slowly in Baku and Gyandzha, yet believers are not exhibiting any special anxiety on this account. Thus it is quite out of place for Azerbaijan to look like an Islamic country and thereby evoke anxiety on the part of the West, when the main Islamist in the region—Iran—is not all that favorably disposed to it.

## GEORGIA

### Poll Shows Support for Russian Peacekeeping Participation

944F0914A Moscow NEZAVISIMAYA GAZETA  
in Russian 2 Jul 94 p 3

[Article by Tengiz Pachkoria: "Full Approval Alongside Total Rejection," subtitled "Georgian Politicians on the Peacekeeping Operation in the Conflict Zone"]

[Text] The broad-based peacekeeping operation in the zone of the Georgian-Abkhaz conflict is evoking an ambivalent response in Georgian political circles. This is indicated by the results of a snap poll of politicians and members of parliament conducted in Tbilisi.

To a question concerning his attitude toward the operation in the Georgian-Abkhaz conflict zone, Guram Muchaidze, chairman of the Social Democratic Party of Georgia, and member of parliament, replied: "We welcome the commitment of the peacekeeping force and hope that with its help it will finally be possible to settle the conflict in Abkhazia. In my view, it is time that the leadership of the republic stopped flirting with the West and persuaded Russia that Georgia has unswervingly adopted a policy of alliance with it. And only in this case can the peacemaking process bring us the desired results in Abkhazia. This apart, Russia's assistance is simply essential in the high-crime situation that has taken shape in Georgia. This is needed to put an end to the domination of various gangster-mafia clans operating legally and brazenly and making hostages of certain organs of state administration."

The opposite opinion was expressed by Georgiy Chanturia, chairman of the National Democratic Party of Georgia. He declared: "We take a negative view of the commitment of the Russian contingent to Abkhazia, but the opposition has no intention of actively impeding this process, lest we give the authorities a pretext for justifying themselves and once again explaining the failures of their policy by the actions of the opposition. The negative results for Georgia will be manifested soon enough. The leadership itself will shortly understand that it should have followed a different course." Chanturia emphasized that he does not trust Russia, since it "aspires to restore the empire," and the commitment of

Russian forces to Abkhazia "will entail merely the wresting away of this territory from Georgia." In Georgiy Chanturia's opinion, the conflict may be settled either militarily or politically, but in both cases only if Georgia has real power and represents a stable state with a well-supplied army.

Temuri Zhorzholiani, chairman of the Conservative-Monarchist Party of Georgia, believes that the commitment of Russian troops to Abkhazia should exert a positive influence on a stabilization of the situation in the region, but from the political viewpoint it will solve nothing—Abkhazia will continue to demand independence. It is essential, though, that Georgia preserve its territorial integrity. Zhorzholiani believes that it is impossible to agree to compromises and concessions, particularly in policy; this is dangerous and could make the situation worse. Georgiy Zhorzholiani, speaker of the Georgia Citizens Alliance, observes: "We support the decision on the commitment of the peacekeeping force to Abkhazia and regard this as a positive step in a settlement of the conflict. The main problem in the settlement process is the restoration of the demographic situation that obtained prior to the start of the war. The political status of Abkhazia, on the other hand, should be determined by the whole population of Abkhazia." Prior to the start of the military operations in August 1992, Georgians constituted 48 percent of the population of

Abkhazia. The Abkhaz, on the other hand, constituted over 18 percent. The rest of the population was composed of Russians, Armenians, and citizens of other nationalities.

The opinion of Nodar Natadze, member of the Georgian parliament, chairman of the Popular Front, and cochairman of the United Republican Party of Georgia, is of interest. Natadze is opposed to Russia, which has interests on the territory of Georgia, participating in a solution of the conflict. In Natadze's opinion, his viewpoint corresponds also to the principles of the United Nations. Nodar Natadze is sure that there is one sole way to settle the conflict—it presupposes, *inter alia*, the complete exclusion of Russia from the settlement process. He believes also that the policy of the present Government of Georgia is hopeless from the viewpoint of the interests of Georgia and is beneficial to Russia, endowing the latter with the "function of regulator on the territory of the former Union."

The spectrum of opinions is very wide, but the vast majority of politicians believes that Georgia has no choice but to consent to Russia's participation in the peacekeeping operation in Abkhazia. Many of the refugees hope that the peacekeeping operation in Abkhazia will enable them to return to their homes, primarily to Abkhazia's Galskiy District. They are more skeptical of the possibility of a return to other districts, to Gagra particularly.



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